

## OPTION AGREEMENT

**THIS AGREEMENT** made the 7<sup>th</sup> day of October, 2024 (the “**Effective Date**”)

**B E T W E E N:**

**TINTON PARTNERS**, a partnership formed under the laws of Illinois and having an office at S6066 County Rd. T, Viroqua, WI 54665-6604, United States

(“**Tinton Partners**”)

AND:

**THE TINTON LAND, LLC**, a limited liability company existing under the laws of South Dakota and having an office at S6066 County Rd. T, Viroqua, WI 54665-6604, United States

(“**Tinton Land**”, together with Tinton Partners, the “**Optionor**”)

AND:

**LION ROCK RESOURCES INC.**, a company existing under the laws of British Columbia and having an office at 200 Burrard Street, Suite 1615, Vancouver, BC V6C 3L6, Canada

(“**Optionee**”)

(each, a “**Party**” and, together, the “**Parties**”)

**WHEREAS:**

- A. Optionor owns the following mining claims located in northern Black Hills, Lawrence County, South Dakota, United States and Crook County, Wyoming, United States:
  - I. forty (40) lode mining claims, as described in Schedule “A” hereto (the “**Phase One Properties**”); and
  - II. nine (9) lode mining claims, as described in Schedule “B” hereto (the “**Carve-Out Property**”);
- B. Optionor believes it may own the additional sixty (60) lode mining claims located in northern Black Hills, Lawrence County, South Dakota, United States described in Schedule “C” hereto (the “**Phase Two Properties**”); and
- C. the Parties wish to enter into an agreement granting to Optionee the exclusive right to acquire an undivided 100% percent of the right, title and interest of Optionor in and to the Properties (as defined herein), on the terms and conditions set forth in this Agreement.

**NOW THEREFORE THIS AGREEMENT WITNESSES** that in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by the Parties), the Parties agree as follows:

## **1. INTERPRETATION**

### **1.1 In this Agreement:**

**“Abandoned Claims”** has the meaning given in Section 9.1;

**“Affiliate”** means any person that directly or indirectly Controls, is Controlled by, or is under common Control with, a Party;

**“Business Day”** means any day, other than a Saturday, Sunday or any other day on which the principal chartered banks located in the City of Vancouver, British Columbia, the City of Pierre, South Dakota or the City of Cheyenne, Wyoming are not open for business during normal banking hours;

**“Carve-Out Property”** has the meaning given in the Recitals hereto;

**“Carve-Out Property Mineral Rights”** means, with respect to the Carve-Out Property, all mining rights, mineral claims, exploration licences, prospecting licences, large-scale mining licences, mining leases, miscellaneous purpose licences, tenements, concessions and other forms of mineral tenure or other rights to or concerning minerals, or to work upon lands for the purpose of searching for, developing or extracting minerals under any forms of mineral title or right recognized under applicable laws, whether contractual, statutory or otherwise, or any interest therein, and any applications for such mineral tenure or other rights to minerals, and any mineral tenure or other rights to minerals including any renewals, extensions, amendments, consolidations or other rights derived from such applications;

**“Carve-Out Property Surface Rights”** means, with respect to the Carve-Out Property, all rights to use the surface of land, including, without limitation, all rights to enter upon and occupy the surface of land and rights to cross or otherwise use the surface of land;

**“Commercial Production”** means the operation of the Properties or any portion of the Properties as a producing mine and the production of mineral products from the Properties (excluding bulk sampling, pilot plant, or test operations);

**“Common Shares”** means common shares in the capital of the Optionee;

**“Consideration Shares”** means the Common Shares issuable to Optionor pursuant to Section 3.1(b);

**“Control”** means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the legal or beneficial ownership of either more than 50% of the securities or interests or sufficient

securities or interests to elect a majority of the directors, trustees or other governing body of such person, by contract or otherwise;

**“Counteroffer”** has the meaning given in Section 8.3(b);

**“End Life Property”** has the meaning given in Section 9.3;

**“End Life Property Offer”** has the meaning given in Section 9.3;

**“End Life Property ROFR”** has the meaning given in Section 9.3;

**“End Life Property ROFR Period”** has the meaning given in Section 9.3;

**“End Life Property Sale Notice”** has the meaning given in Section 9.3;

**“End Life Property Sale Terms”** has the meaning given in Section 9.3;

**“Encumbrances”** means any lien, security interest, mortgage, charge, deed of trust, encumbrance, legal claim, hypothec, debt, liability, title retention agreement or arrangement, option, earn-in, licence or licence fee, right to acquire, conditional sale agreement, right of set-off, interest, estate, assignment pledge, net profits interest, royalty (including any future royalty imposed by a governmental authority), overriding royalty interest, production payment, covenant, condition, lease, exception, reservation, easement, encroachment, right of occupation, right-of-way, right-of-entry, matter capable of recordation against title, right of pre-emption, privilege or other claim or adverse third-party interest of any nature, whether recorded or unrecorded, consensual or non-consensual and whether arising by agreement, statute or otherwise, of any and every nature or kind whatsoever, and any agreement to give or create any of the foregoing;

**“Environmental Claims”** means any and all administrative, regulatory, or judicial actions, suits, demands, claims, liens, notices of non-compliance or violation, investigations, or proceedings relating in any way to any Environmental Laws or any permit issued under any Environmental Laws, including, without limitation:

- (a) any and all claims by government or regulatory authorities for enforcement, clean-up, removal, response, remedial, or other actions or damages under any applicable Environmental Law; and
- (b) any and all claims by any third party seeking damages, contribution, indemnification, cost recovery, compensation, or injunctive or other relief resulting from hazardous materials, including any release of those claims, or arising from alleged injury or threat of injury to human health or safety (arising from environmental matters) or the environment;

**“Environmental Laws”** means all requirements of the common law, civil code, or of environmental, health, or safety statutes of any agency, board, or governmental authority including, but not limited to, those relating to (i) noise, (ii) pollution or protection of the air, surface water, ground water, or land, (iii) solid, gaseous, or liquid waste generation,

handling, treatment, storage, disposal, or transportation, (iv) exposure to hazardous or toxic substances, or (v) the closure, decommissioning, dismantling or abandonment of any facilities, mines or workings, and the reclamation or restoration of lands;

**“Exchange”** means the TSX Venture Exchange Inc.;

**“Exchange Approval Date”** means the date on which the Optionee receives the required Exchange approval set forth in Section 13.5;

**“Exploration Expenditures”** means all direct and indirect expenditures incurred directly or indirectly by Optionee (whether before or after the Effective Date) in connection with or incidental to Exploration Work done prior to a Production Decision, including, without limiting the generality of the foregoing, all monies expended on work of assessment, geophysical, geochemical and geological surveys, studies and mapping, investigating, drilling, designing, examining, assaying, prospecting, equipping, improving, surveying, searching for, digging, trucking, sampling, trenching, working and procuring minerals, ores and metals, surveying, reclaiming and all other work usually considered to be prospecting, exploration, development, mining and/or reclamation work including those of a capital nature and all fees, taxes, rentals, payments and other governmental charges required to maintain the Properties in good standing, in acquiring facilities, in payment of fees, wages, salaries, reasonable traveling expenses and fringe benefits (whether or not required by law) of all persons engaged in work with respect to and for the benefit of the Properties, in paying for the food, lodging and other reasonable needs of such persons, and in the supervision of management of all work done with respect to such persons and for the benefit of the Properties;

**“Exploration Work”** means all works and activities directed toward or relating to ascertaining the existence, location, quantity, quality or commercial value of mineralized deposits on, in or under the Properties;

**“Final Consideration Shares”** has the meaning given in subsection 3.1(b)(i);

**“First Option”** has the meaning given in Section 3.1;

**“First Option Acceleration Election”** has the meaning given in Section 3.5;

**“First Option Acceleration Notice”** has the meaning given in Section 3.5;

**“First Option Cash Payments”** has the meaning given in Section 3.1(a);

**“First Option Conditions”** has the meaning given in Section 3.1;

**“First Option Expenditures”** has the meaning given in Section 3.1(c);

**“First Option Final Cash Payment”** has the meaning given in subsection 3.1(a)(iii);

**“First Option Final Expenditures”** has the meaning given in subsection 3.1(c)(ii);

**“First Option Initial Expenditures”** has the meaning given in subsection 3.1(c)(i);

**“First Option Permitted Shortfall”** means a shortfall of the First Option Initial Expenditures or the First Option Final Expenditures, as applicable, not exceeding 20% of the First Option Initial Option Expenditures or the First Option Final Option Expenditures, as applicable;

**“First Option Share Issuances”** has the meaning given in Section 3.1(b);

**“GP Royalty”** means the royalty of gross proceeds from Commercial Production of minerals other than gold, as more particularly to be described in the GP Royalty Agreement;

**“GP Royalty Agreement”** means the gross proceeds royalty agreement to be entered into between the Parties, in the form attached hereto as Schedule “D”, subject to the Parties entering into this Agreement;

**“Initial Consideration Shares”** has the meaning given in subsection 3.1(b)(i);

**“Liability”** means any and all loss, damage, injury, expense (including reasonable attorneys’ fees), claim, fine, order, penalty, demand or liability, including but not limited to environmental and reclamation liabilities;

**“NI 43-101”** means National Instrument 43-101 *Standards of Disclosure For Mineral Projects*;

**“NSR Royalty”** means the royalty of net smelter returns from Commercial Production of gold, as more particularly to be described in the NSR Royalty Agreement;

**“NSR Royalty Agreement”** means the net smelter returns royalty agreement to be entered into between the Parties, in the form attached hereto as Schedule “E”, subject to the Parties entering into this Agreement;

**“Opinions”** means the land title opinions delivered to the Optionee and Optionor by Bennett Main Gubbrud & Willert PC in respect of the Phase One Properties and Carve-Out Property;

**“Option”** means the First Option and the Second Option;

**“Option Period”** means the period beginning on the Effective Date and ending on the earlier of the date on which: (i) Optionee is deemed to have exercised the First Option in accordance with Section 3.2 and the Section Option in accordance with Section 5.2, and (ii) the Option is terminated in accordance with Section 10;

**“Permitted Encumbrances”** means any Encumbrance in respect of the Properties constituted by the following:

- (a) any reservations or exceptions contained in the original grants of the Properties;

- (b) de minimis discrepancies in the legal description of the Properties (or any part thereof) and any recorded easements and recorded restrictions or covenants that overlie the surface rights covered by the Properties;
- (c) rights of way for or reservations or rights of others for, railways, sewers, water lines, gas lines, electric lines, telegraph and telephone lines, and other similar utilities, or zoning by-laws, ordinances or other restrictions as to the use of real property, which do not in the aggregate materially impair the use of the Properties or otherwise prevent the right to transfer the Properties or an interest therein; and
- (d) the right of the Optionor to be granted (A) the NSR Royalty in accordance with the terms contained in the NSR Royalty Agreement, and (B) the GP Royalty in accordance with the terms contained in the GP Royalty Agreement.

**“Phase One Properties”** has the meaning given in the Recitals hereto;

**“Phase Two Notice”** has the meaning given in Section 4.2;

**“Phase Two Properties”** has the meaning given in the Recitals hereto;

**“Phase Two Properties Full Interest”** has the meaning given in Section 4.3;

**“Phase Two Properties Partial Interest”** has the meaning given in Section 4.4;

**“Phase Two Full Start Date”** has the meaning given in Section 4.3;

**“Phase Two Partial Start Date”** has the meaning given in Section 4.4;

**“Production Decision”** has the meaning given in Section 6.1;

**“Properties”** means the aggregate of the Phase One Properties and Optionor’s right, title and interest in and to the Phase Two Properties;

**“Proposed Sales Notice”** has the meaning given in Section 8.2;

**“Proposed Sales Notice Response”** has the meaning given in Section 8.2;

**“Restricted Amount”** has the meaning given in Section 8.1;

**“Royalties”** means the NSR Royalty and the GP Royalty;

**“Royalty Agreements”** means the NSR Royalty Agreement and the GP Royalty Agreement;

**“Sales Process Period”** means the period beginning on date on which the Purchase issues to Optionor the Initial Consideration Shares and continuing during any time at which Optionor owns more than 5% of Optionee’ issued and outstanding Common Shares;

**“Second Option”** has the meaning given in Section 5.1;

**“Second Option Acceleration Election”** has the meaning given in Section 5.5;

**“Second Option Acceleration Notice”** has the meaning given in Section 5.5;

**“Second Option Cash Payments”** has the meaning given in Section 5.1(a);

**“Second Option Conditions”** has the meaning given in Section 5.1;

**“Second Option Expenditures”** has the meaning given in Section 5.1(b);

**“Second Option Final Cash Payment”** has the meaning given in subsection 5.1(a)(iii);

**“Second Option Final Expenditures”** has the meaning given in subsection 5.1(b)(ii);

**“Second Option Initial Expenditures”** has the meaning given in subsection 5.1(b)(i);

**“Second Option Permitted Shortfall”** means a shortfall of the Second Option Initial Expenditures or the Second Option Final Expenditures, as applicable, not exceeding 20% of the Second Option Initial Option Expenditures or the Second Option Final Option Expenditures, as applicable;

**“Work Program”** means the work program attached hereto as Schedule “F”;

**“\$”** or **“Dollars”** means United States dollars unless otherwise specifically indicated.

- 1.2 The titles to the respective Articles and Sections are used for convenience only and are not a part of this Agreement.
- 1.3 Words importing the singular number will include the plural and vice-versa, and words importing the masculine gender will include the feminine and neuter genders and vice-versa, and words importing persons will include firms, partnerships, and corporations.

## **2. REPRESENTATIONS AND WARRANTIES**

- 2.1 Optionee represents and warrants to Optionor as follows, and acknowledges that the Optionor is relying on such representations and warranties in entering into this Agreement:
  - (a) it is a body corporate duly continued, organized and validly subsisting under the laws of British Columbia;
  - (b) it has full power and authority to carry on its business and to enter into this Agreement and any agreement or instrument referred to or contemplated by this Agreement;
  - (c) it has obtained all corporate authorizations for the execution and performance of this Agreement and neither the execution and delivery of this Agreement nor any of the agreements referred to herein or contemplated hereby, nor the consummation of the transactions hereby contemplated will conflict with, result in the breach of or accelerate the performance required by any agreement to which it is a party;

- (d) the execution and delivery of this Agreement and the agreements contemplated hereby will not violate or result in the breach of laws of any jurisdiction applicable or pertaining thereto or of its constating documents;
- (e) it is a reporting issuer in good standing in British Columbia, Alberta, Saskatchewan and Manitoba, and its Common Shares are presently listed for trading on the Exchange;
- (f) there is no material fact or material change relating to Optionee which has not been publicly disclosed by the Optionee;
- (g) none of Optionee's disclosure "documents", as such term is defined in section 140.1 of the *Securities Act* (British Columbia) and equivalent provisions of other applicable securities laws, publicly filed in the last 12 months contained any misrepresentations, as such term is defined in section 1(1) of the *Securities Act* (British Columbia), as at the dates such documents were publicly filed;
- (h) no order ceasing or suspending trading in the securities of Optionee nor prohibiting the sale of such securities has been issued against Optionee and, to Optionee's knowledge, no investigations or proceedings for such purposes are pending or threatened;
- (i) the operations of Optionee are, and have been conducted at all times, in compliance with all applicable financial recordkeeping and reporting requirements of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), the money laundering laws of all jurisdictions in which the Optionee conducts its business, and any related or similar applicable laws of any applicable governmental entity (collectively, the "**Money Laundering Laws**") and no action, suit or proceeding by or before any governmental entity involving Optionee with respect to a breach of Money Laundering Laws is pending or, to the knowledge of Optionee, threatened;
- (j) Optionee conducts its business in material compliance with all applicable laws of each jurisdiction in which its business is carried on and it has not received a notice of non-compliance, nor does it have knowledge of any facts that would give rise to a notice of non-compliance with, any such laws which would reasonably be expected to have a material adverse affect on Optionee;
- (k) Optionee owns or holds all material licenses, registrations and qualifications necessary to enable its business to be carried on as now conducted and its property and assets to be owned or leased and operated, and all such licenses, registrations and qualifications are valid, subsisting and in good standing and it has not received a notice of non-compliance, nor does it have knowledge of, any facts that would give rise to a notice of non-compliance with any such licenses, registrations or qualifications which would reasonably be expected to have a material adverse affect on Optionee;



- (l) the issuance of any Consideration Shares issuable hereunder will, at the time of delivery to Optionor, be duly authorized and validly allotted and issued as fully paid and non-assessable shares, free of any liens, charges or encumbrances;
- (m) the issuance of any Consideration Shares does not and will not conflict with and does not and will not result in a breach of any of the terms, conditions or provisions of the constating documents of Optionee; and
- (n) any Consideration Shares to be issued pursuant to this Agreement will be part of a class of shares of the Optionee that is currently listed for trading on the Exchange, and at the time of the delivery of the certificates or DRS statements representing such Consideration Shares to the Optionor, will have been conditionally approved and reserved for listing on the Exchange, subject only to fulfillment of the requirements of the Exchange related to the listing of such Consideration Shares.

2.2 Each of Tinton Partners and Tinton Land represents and warrants to Optionee as follows, and acknowledges that Optionee is relying on such representations and warranties in entering into this Agreement:

- (a) Tinton Land it is a limited liability company duly organized and validly subsisting under the laws of the State of South Dakota;
- (b) Tinton Partners is a partnership formed under the laws of the State of Illinois
- (c) it has full power and authority to carry on its business and to enter into this Agreement and any agreement or instrument referred to or contemplated by this Agreement;
- (d) it has obtained all authorizations for the execution and performance of this Agreement and neither the execution and delivery of this Agreement nor any of the agreements referred to herein or contemplated hereby, nor the consummation of the transactions hereby contemplated will conflict with, result in the breach of or accelerate the performance required by any agreement to which it is a party;
- (e) the execution and delivery of this Agreement and the agreements contemplated hereby will not violate or result in the breach of laws of any jurisdiction applicable or pertaining thereto or of its constating documents;
- (f) except as set forth in the Opinions, the mineral claims comprising the Phase One Properties have been duly recorded with the Register of Deeds or County Clerk and are accurately described in Schedule "A" and are otherwise presently in good standing under the laws of the jurisdiction in which they are located and are free and clear of Encumbrances, save and except for any Permitted Encumbrances and except as set forth in the Opinions;
- (g) except as set forth in the Opinions, the mineral claims comprising the Carve-Out Property have been duly recorded with the Lawrence County Register of Deeds and are accurately described in Schedule "B" and are otherwise presently in good

standing under the laws of the jurisdiction in which they are located and are free and clear of Encumbrances, save and except for any Permitted Encumbrances and except as set forth in the Opinions;

- (h) Optionor has paid all taxes, assessment, rentals, levies, or other payments relating to the Phase One Properties and the Carve-Out Property required to be made to any federal, state, municipal or local governmental authority;
- (i) except as set forth in the Opinions, Optionor is the recorded and beneficial owner of a 100% undivided interest in and to the Phase One Properties and the Carve-Out Property;
- (j) except as set forth in the Opinions, Optionor has all necessary authority to dispose of an undivided 100% percent interest in and to the Phase One Properties and the Carve-Out Property in accordance with the terms of this Agreement;
- (k) except as set forth in the Opinions and Schedule 2.2(k), no person, firm or corporation has any proprietary or possessory interest in the Phase One Properties or the Carve-Out Property other than Optionor, and except as set forth in the Opinions no person, firm or corporation is entitled to any royalty or other payment in the nature of rent or royalty on any minerals, ores, metals or concentrates or any other such products removed from the Phase One Properties or the Carve-Out Property save and except for the right of the Optionor to be granted the NSR Royalty in accordance with the terms contained in the NSR Royalty Agreement and the GP Royalty in accordance with the terms contained in the GP Royalty Agreement;
- (l) except as set forth in the Opinions, there are no actions, suits, investigations or proceedings before any court, arbitrator, administrative agency or other tribunal or governmental authority, whether current, pending or threatened, which directly or indirectly relate to or affect the Phase One Properties or the Carve-Out Property, or the interests of Optionor therein, nor is Optionor aware of any acts that would lead it to suspect that the same might be initiated or threatened, other than aboriginal land claims over the area on which the Phase One Properties or the Carve-Out Property are located, as applicable;
- (m) except as set forth in the Opinions and Schedule 2.2(k), there is no adverse claim or challenge against or to the ownership of or title to the Phase One Properties or the Carve-Out Property, or any portion thereof, nor is there any basis therefore and there are no outstanding agreements or options to purchase or otherwise acquire the Phase One Properties or the Carve-Out Property, as applicable, or any portions thereof or any interests therein;
- (n) Optionor has not received from any governmental authority any notice of or communication relating to any actual or alleged Environmental Claims, and there are no outstanding work orders or actions required to be taken relating to environmental matters respecting the Phase One Properties or the Carve-Out

Property, or any operations carried out on the Phase One Properties or the Carve-Out Property, as applicable;

- (o) Optionor will upon request promptly make available to Optionee all information in his possession or control relating to work done with respect to the Phase One Properties;
- (p) except as set forth in the Opinions, Optionee may enter in, under or on the Phase One Properties for all purposes of this Agreement without making any payment to and without accounting to or obtaining the permission of any other person, other than any payment required to be made under this Agreement subject to applicable surface rights legislation in the states of South Dakota and Wyoming and the negotiation of applicable permissions and rights of entry with surface owners who assert ownership over the land on which the Phase One Properties are located or over land through which the Phase One Properties may be accessed;
- (q) at present there are no outstanding obligations to remedy, promises or requirements for surface rehabilitation or Environmental Claims with respect to the Phase One Properties or the Carve-Out Property, as applicable;
- (r) Optionor is a “non-resident” within the meaning of the *Income Tax Act* (Canada);
- (s) Optionor understands and acknowledges that the issuances of the Consideration Shares to the Optionor contemplated hereunder are conditional upon compliance with applicable law, including applicable securities law (and specifically, the provisions of applicable securities law prohibiting the issuance of the Consideration Shares when the Optionor is in possession of material, non-public information) and applicable stock exchange policy (including the policies and rules of the Exchange), and that such Consideration Shares will be subject to statutory restrictions on resale and trading, including being legended with the following legends pursuant to applicable securities laws:

**“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “1933 ACT”), OR ANY STATE SECURITIES LAW. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE CORPORATION THAT SUCH SECURITIES MAY BE OFFERED, SOLD, ASSIGNED, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE 1933 ACT AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, (C) WITHIN OR WITHOUT THE UNITED STATES IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE 1933 ACT PROVIDED BY RULE 144 THEREUNDER, IF APPLICABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS OR (D) PURSUANT TO ANOTHER EXEMPTION FROM**

**REGISTRATION UNDER THE 1933 ACT, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT THE CORPORATION HAS RECEIVED A WRITTEN OPINION OF LEGAL COUNSEL REASONABLY SATISFACTORY TO IT TO THE EFFECT THAT THE PROPOSED TRANSFERS MAY BE EFFECTED WITHOUT REGISTRATION UNDER THE SECURITIES ACT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE “GOOD DELIVERY” IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.”**

**“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [THE DATE THAT IS FOUR MONTHS AND ONE DAY AFTER THE DATE OF ISSUANCE OF THE SECURITY]”**

and may, pursuant to applicable law or applicable stock exchange policy, be subject to additional legends or escrow arrangements (and the Optionor covenants and agrees to take all necessary action to cause the Share Consideration to be subject to any mandated legends or escrow arrangements);

- (t) Optionor acknowledges and agrees that:
  - (i) no agency, governmental authority or other entity has made any finding or determination as to the merit for investment of, nor have any such agencies or governmental authorities made any recommendation or endorsement with respect to the Consideration Shares; (ii) there is no government or other insurance covering the Consideration Shares; and (iii) there are risks associated with acquiring and holding the Consideration Shares;
  - (ii) Optionor has such knowledge and experience in financial and business matters as to be capable of evaluating the merits of, and is able to bear the economic risk of loss related to, the issuance of the Consideration Shares;
  - (iii) Optionor has had the opportunity to ask questions of and receive answers from the Optionee regarding its acquisition of the Consideration Shares and has received all such information regarding Optionee that it has requested;
  - (iv) Optionor will receive the Consideration Shares as principal for its own account for investment and not with a view to or for distributing or reselling such Consideration Shares, or any part thereof in violation of any applicable securities laws, is not a party to any contract, undertaking, agreement, direct or indirect arrangement with any Person to sell, transfer or pledge to such Person, or anyone else, such Consideration Shares, or any part thereof, or any interest therein, and has no present plans to enter into any such contract, undertaking, agreement or arrangement with any other persons to distribute or regarding the distribution of such Consideration Shares;

- (v) the distribution of the Consideration Shares is not being accompanied by a general solicitation or advertisement, including articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio or television, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising;
- (vi) no prospectus or other offering document has been filed by the Optionee with a securities commission or other securities regulatory authority in any province or territory of Canada, or any other jurisdiction in or outside of Canada in connection with the issuance of the Consideration Shares, and such issuance is exempt from the prospectus requirements otherwise applicable under the provisions of applicable securities laws and, as a result, in connection with receiving the Consideration Shares hereunder, as applicable:
  - (A) Optionor is restricted from using most of the protections, rights and remedies available under applicable securities laws with respect to the Consideration Shares, including, without limitation, statutory rights of rescission or damages; and
  - (B) Optionor will not receive information that may otherwise be required to be provided to Optionor under applicable securities laws or contained in a prospectus prepared in accordance with applicable securities laws;
- (vii) Optionor has been advised to consult its own legal advisors with respect to the holding of and trading in the Consideration Shares and with respect to the resale restrictions imposed by applicable securities laws, and acknowledges that no representation has been made respecting the applicable hold periods imposed by applicable securities laws or other resale restrictions applicable to the Consideration Shares which restrict the ability of the Optionor to resell the Consideration Shares. Optionor is solely responsible to find out what these restrictions are, and Optionor is solely responsible (and Optionee is not in any way responsible) for compliance with applicable resale restrictions;
- (viii) Optionor is not acting “jointly” or “in concert”, as such terms are used in applicable securities laws, with any other person;
- (ix) Optionor does not own or have any interest in (directly or indirectly), nor exercise control or direction over any securities of, Optionee; and
- (x) personal information regarding the directors, officers and other insiders of Optionor (including the information required by Exchange Form 2A *Personal Information Form*) may be collected by Optionee and disclosed to the Exchange and other governmental authorities, and Optionor will comply

with all applicable securities laws in connection with its holding of the Consideration Shares.

- 2.3 The representations and warranties set out are conditions on which the Parties have relied in entering into this Agreement and will survive the acquisition of any interest in the Properties by Optionee, and each Party (in such capacity, an “**Indemnifying Party**”) will indemnify and save the other Party and its officers, directors, employees, affiliates, subsidiaries, successors and assigns (in such capacity, an “**Indemnified Parties**”) harmless from all Liability arising out of or in connection with any breach of any representation, warranty, covenant, agreement or condition made by the Indemnifying Party and contained in this Agreement.
- 2.4 Optionee Indemnifying Party shall release, indemnify, defend and hold harmless Optionor Indemnified Parties against and from any and all Liability, regardless of whether such Liability, cost, or expense arises during or after the term of this Agreement, arising or resulting from the use of the Properties by Optionee, its agents, contractors, employees or invitees during the term of this Agreement.
- 2.5 Optionor Indemnifying Parties shall release, indemnify, defend and hold harmless Optionee Indemnified Parties against and from any and all Liability, regardless of whether such Liability, cost, or expense arises during or after the term of this Agreement, arising or resulting from the use of the Properties by Optionor its agents, contractors, employees, or invitees during the term of this Agreement.
- 2.6 The indemnities set forth in this Section shall survive the expiry or termination of this Agreement.

### **3. PHASE ONE SALE AND PURCHASE**

- 3.1 Subject to the terms and conditions of this Agreement, Optionor hereby irrevocably grants to Optionee the sole and exclusive right and option (the “**First Option**”) to acquire an undivided 100% right, title and interest in and to the Phase One Properties, free and clear of all Encumbrances except for Permitted Encumbrances, which interest shall be deemed to vest and be fully exercised on the date upon which all of the following conditions (the “**First Option Conditions**”) have been satisfied:
- (a) paying to Optionor (or as Optionor directs) (the “**First Option Cash Payments**”):
- (i) on or before the date that is six (6) months from the Exchange Approval Date, cash in the amount of \$400,000;
  - (ii) on or before the date that is eighteen (18) months from the Exchange Approval Date, cash in the amount of \$1,050,000; and
  - (iii) on or before the date that is thirty (30) months from the Exchange Approval Date, cash in the amount of \$1,950,000 (the “**First Option Final Cash Payment**”);

- (b) issuing to Optionor (or as Optionor directs) (the “**First Option Share Issuances**”):
  - (i) within five (5) Business Days from the Exchange Approval Date, such number of Consideration Shares as is equal to 9.9% of Optionee’s issued and outstanding Common Shares following such issuance of Consideration Shares, as calculated on the Exchange Approval Date on an undiluted basis (the “**Initial Consideration Shares**”);
  - (ii) within ten (10) Business Days from the first anniversary of the Exchange Approval Date, such number of Consideration Shares as is equal to the greater of: (A) the number of Consideration Shares as is required to maintain Optionor’s shareholding in Optionee at an amount equal to 9.9% of Optionee’s issued and outstanding Common Shares following such issuance of Consideration Shares, as calculated on the Business Day immediately preceding the date of issuance on an undiluted basis, and (B) Common Shares having an aggregate value of \$500,000 (converted to Canadian dollars using the Bank of Canada daily exchange rate on the Business Day immediately preceding the date of issuance); and
  - (iii) within ten (10) Business Days from the second anniversary of the Exchange Approval Date, such number of Consideration Shares (the “**Final Consideration Shares**”) as is equal to the greater of: (A) the number of Consideration Shares as is required to maintain Optionor’s shareholding in Optionee at an amount equal to 9.9% of Optionee’s issued and outstanding Common Shares following such issuance of Consideration Shares, as calculated on the Business Day immediately preceding the date of issuance on an undiluted basis, and (B) Common Shares having an aggregate value of \$750,000 (converted to Canadian dollars using the Bank of Canada daily exchange rate on the Business Day immediately preceding the date of issuance);
- (c) incurring (the “**First Option Expenditures**”):
  - (i) on or before the first anniversary of the Exchange Approval Date, \$1,000,000 of Exploration Expenditures (the “**First Option Initial Expenditures**”) in accordance with the Work Program: *provided that*, if Optionee incurs Exploration Expenditures in excess of the First Option Initial Expenditures prior to the first anniversary of the Exchange Approval Date, such excess amount shall carry forward and qualify as Final Option Expenditures for the purpose of satisfying the condition set forth in subsection 3.1(c)(ii); and
  - (ii) on or before the second anniversary of the Exchange Approval Date, \$1,500,000 of Exploration Expenditures (the “**First Option Final Expenditures**”) in accordance with the Work Program.

3.2 Upon the satisfaction of the First Option Conditions set forth in Section 3.1 and written

notice to the Optionor (provided this Agreement has not been earlier terminated in accordance with its terms), Optionee will automatically be deemed to have exercised the First Option (without any further action required by the Optionee), and Optionee will have earned its 100% interest in and to the Phase One Properties, and Optionor will forthwith deliver to Optionee all necessary documents in recordable form in order to validly and effectively transfer such 100% interest in and to the Phase One Properties to Optionee, and Optionor and Optionee will work together to record Optionee's interest in and to the Phase One Properties as soon as practicable.

- 3.3 Subject to Section 3.5(b), Optionee may, in its sole discretion, make up any First Option Permitted Shortfall in the First Option Expenditures required to be incurred by Optionee by subsection 3.1(c)(i) and subsection 3.1(c)(ii), as applicable, by making a cash payment to Optionor (or as directed by Optionor) within ten (10) calendar days following the end of the applicable period set forth in subsection 3.1(c)(i) and subsection 3.1(c)(ii), as applicable, and the payment of such First Option Permitted Shortfall shall be deemed to have satisfied the requirement to incur the applicable First Option Expenditures during such period.
- 3.4 The First Option is an option only and, as such, Optionee has the right, but not the obligation, to pay the First Option Cash Payments, issue the First Option Share Issuances and incur the First Option Expenditures set forth herein, and to do all other things necessary or desirable to exercise the First Option pursuant to Article 3. Except as specifically provided herein otherwise, nothing contained in this Agreement shall be construed as obligating Optionee to do any acts and Optionee shall have the right at any time to elect not to continue to maintain the First Option and to terminate this Agreement pursuant to Section 10.2. The decision to exercise or not exercise the First Option shall be at Optionee's sole discretion.
- 3.5 Once Optionee has satisfied the First Option Conditions set forth in subsection 3.1(a)(i), subsection 3.1(a)(ii), subsection 3.1(b)(i), subsection 3.1(b)(ii) and subsection 3.1(c)(i), Optionee may elect (a "**First Option Acceleration Election**"), at its sole discretion and by delivering written notice to Optionor (a "**First Option Acceleration Notice**"), to make the First Option Final Cash Payment, issue the Final Consideration Shares and incur the First Option Final Expenditures within a shorter time frame than those set out in subsection 3.1(a)(iii), subsection 3.1(b)(iii) and subsection 3.1(c)(ii), as applicable; *provided that*, if Optionee makes such Acceleration Election:
- (a) Optionee shall not be permitted to make up any First Option Permitted Shortfall in the First Option Final Expenditures by paying cash to Optionor in accordance with Section 3.3; and
  - (b) Optionee shall include in the First Option Acceleration Notice the date by which Optionee shall make the First Option Final Cash Payment, issue the Final Consideration Shares and incur the First Option Final Expenditures, and such date, which in no circumstances shall be a date later than the second anniversary of the Exchange Approval Date, shall become the date by which Optionee must satisfy



the applicable First Option Conditions pursuant to subsection 3.1(a)(iii), subsection 3.1(b)(iii) and subsection 3.1(c)(ii), as applicable, for the purpose of Section 10.1.

#### 4. PHASE TWO VERIFICATION

##### 4.1 From the Effective Date:

- (a) Optionor will (i) use its best efforts to verify the extent of its right, title and interest in and to the Phase Two Properties; and (ii) promptly deliver to Optionee copies of all information pertaining to Optionor's right, title and interest in and to the Phase Two Properties in its possession or control from time to time; and
- (b) Optionee shall have a right of first refusal to acquire all or any part of the Carve-Out Property Mineral Rights and Optionor's right, title and interest in and to the Phase Two Properties on the terms set forth in this Article 4.

##### 4.2 Until Optionor has verified the extent of its right, title and interest in and to the Phase Two Properties, Optionor may not sell, transfer, assign or convey all or any part of the Carve-Out Property Mineral Rights or the Phase Two Properties without the prior written consent of Optionee. On the earlier of (i) the date on which Optionor has verified the extent of its right, title and interest in and to the Phase Two Properties and (ii) 12 months from the Effective Date, Optionor shall give written notice (a "**Phase Two Notice**") to Optionee containing all material details with respect to its right, title and interest in and to the Phase Two Properties that are then in its possession or control.

##### 4.3 In the event that the Optionor can show that it holds 100% of the right, title and interest in and to the Phase Two Properties (and provided this Agreement has not been earlier terminated in accordance with its terms), the Carve-Out Property Mineral Rights and all of the Optionor's right, title and interest in and to the Phase Two Properties (together, the "**Phase Two Properties Full Interest**") shall become subject to the terms of Article 5, automatically and without any further action required by the Parties, on the 70<sup>th</sup> day following Optionee's receipt of the Phase Two Notice (the "**Phase Two Full Start Date**").

##### 4.4 In the event that the Optionor is shown to hold less than 100% of the right, title and interest in and to the Phase Two Properties, Optionee shall have sixty (60) days, calculated from the date of Optionee's receipt of the Phase Two Notice, within which to elect by written notice to make all or any part of the Carve-Out Property Mineral Rights and the Optionor's right, title and interest in and to the Phase Two Properties (such whole or part, the "**Phase Two Properties Partial Interest**") subject to the terms of Article 5, and if Optionee so elects then the Phase Two Properties Partial Interest shall become subject to the terms of Article 5 on the tenth (10th) Business Day following Optionor's receipt of such written election (the "**Phase Two Partial Start Date**"). If Optionee does not make such written election within such sixty (60) day period, Optionee shall be deemed to have elected to not make any part of the Carve-Out Property Mineral Rights or the Optionor's right, title and interest in and to the Phase Two Properties subject to the terms of Article 5. Any part of the Carve-Out Property Mineral Rights and Phase Two Properties that are not part of the Phase Two Properties Partial Interest will cease to be available to the Optionee for any

purposes and will not be subject to any of the terms and conditions of this Agreement.

- 4.5 In the event that Optionee elects to make the Phase Two Properties Partial Interest subject to Article 5, the Second Option Cash Payments set forth in Section 5.1(a) and the Second Option Expenditures set forth in Section 5.1(b) shall each be reduced by multiplying the applicable amount by a fraction (a) the numerator of which shall be the aggregate number of lode mining claims comprising the Phase Two Properties Partial Interest; and (b) the denominator of which shall be the aggregate number of lode mining claims comprising the Carve-Out Property Mineral Rights and the Phase Two Properties. For the avoidance of doubt, when calculating the numerator for the foregoing clause (a), any fractional interests in the lode mining claims comprising the Phase Two Properties Partial Interest shall be counted as the fraction actually owned by the Optionor (i.e., if the Optionor co-owns a lode mining claim 50/50 with another party, only one half (1/2) of such lode mining claim would be included when calculating the numerator for the foregoing clause (a)).
- 4.6 On the Phase Two Full Start Date, if any, or the Phase Two Partial Start Date, if any, Optionor:
- (a) shall be deemed to have made the representations and warranties contained in Sections 2.2(e) – (q), as modified to be given with respect to the Phase Two Properties Full Interest only, as at the Phase Two Full Start Date or the Phase Two Properties Partial Interest only, as at the Phase Two Partial Start Date, as applicable; and
  - (b) shall deliver to Optionee such updated schedules to this Agreement as are required so that Optionor can give the representations and warranties contained in Sections 2.2(e) – (q), as modified to be given with respect to the Phase Two Properties Full Interest only, as at the Phase Two Full Start Date, or the Phase Two Properties Partial Interest only, as at the Phase Two Partial Start Date, as applicable.

## 5. PHASE TWO SALE AND PURCHASE

- 5.1 Subject to Article 4 and the other terms and conditions of this Agreement, Optionor hereby irrevocably grants to Optionee the sole and exclusive right and option (the “**Second Option**”) to acquire an undivided 100% right, title and interest in and to the Phase Two Properties Full Interest or Phase Two Properties Partial Interest, as applicable, free and clear of all Encumbrances except for Permitted Encumbrances, which interest shall be deemed to vest and be fully exercised on the date upon which all of the following conditions (the “**Second Option Conditions**”) have been satisfied:
- (a) paying to Optionor (or as Optionor directs) (the “**Second Option Cash Payments**”):
    - (i) on or before the date that is five (5) Business Days from the Phase Two Full Start Date or Phase Two Partial Start Date, as applicable, cash in the amount of \$68,710.69 (or such lesser amount determined in accordance with Section 4.5);

- (ii) on or before the date that is ten (10) Business Days from the first anniversary of the Phase Two Full Start Date or Phase Two Partial Start Date, as applicable, cash in the amount of \$180,817.61 (or such lesser amount determined in accordance with Section 4.5); and
    - (iii) on or before the date that is ten (10) Business Days from the second anniversary of the Phase Two Full Start Date or Phase Two Partial Start Date, as applicable, cash in the amount of \$325,471.70 (or such lesser amount determined in accordance with Section 4.5) (the “**Second Option Final Cash Payment**”);
  - (b) incurring (the “Second Option Expenditures”):
    - (i) on or before the first anniversary of the Phase Two Full Start Date or Phase Two Partial Start Date, as applicable, \$450,000 (or such lesser amount determined in accordance with Section 4.5) of Exploration Expenditures (the “**Second Option Initial Expenditures**”) in accordance with the Work Program: *provided that*, if Optionee incurs Exploration Expenditures in excess of the Second Option Initial Expenditures prior to the first anniversary of the Phase Two Start Date, such excess amount shall carry forward and qualify as Second Option Final Expenditures for the purpose of satisfying the condition set forth in subsection 5.1(b)(ii); and
    - (ii) on or before the second anniversary of the Phase Two Start Date, \$875,000 (or such lesser amount determined in accordance with Section 4.5) of Exploration Expenditures (the “**Second Option Final Expenditures**”) in accordance with the Work Program.
- 5.2 Upon the satisfaction of the Second Option Conditions set forth in Section 5.1 (provided this Agreement has not been earlier terminated in accordance with its terms), Optionee will automatically be deemed to have exercised the Second Option (without any further action required by the Optionee), and Optionee will have earned its 100% interest in and to the Phase Two Properties Full Interest or Phase Two Properties Partial Interest, as applicable, and Optionor will forthwith deliver to Optionee all necessary documents in recordable form in order to validly and effectively transfer such 100% interest in and to the Phase Two Properties Full Interest or Phase Two Properties Partial Interest, as applicable, to Optionee, and Optionor and Optionee will work together to record Optionee’s interest in and to the Phase Two Properties Full Interest or Phase Two Properties Partial Interest, as applicable, as soon as practicable.
- 5.3 Subject to Section 5.5(b), Optionee may, in its sole discretion, make up any Second Option Permitted Shortfall in the Second Option Expenditures required to be incurred by Optionee by subsection 5.1(b)(i) and subsection 5.1(b)(ii), as applicable, by making a cash payment to Optionor (or as directed by Optionor) within ten (10) calendar days following the end of the applicable period set forth in subsection 5.1(b)(i) and subsection 5.1(b)(ii), as applicable, and the payment of such Second Option Permitted Shortfall shall be deemed to have satisfied the requirement to incur the applicable Second Option Expenditures during

such period.

- 5.4 The Second Option is an option only and, as such, Optionee has the right, but not the obligation, to pay the Second Option Cash Payments and incur the Second Option Expenditures set forth herein, and to do all other things necessary or desirable to exercise the Second Option pursuant to Article 5. Except as specifically provided herein otherwise, nothing contained in this Agreement shall be construed as obligating Optionee to do any acts and Optionee shall have the right at any time to elect not to continue to maintain the Second Option and to terminate this Agreement pursuant to Section 10.2. The decision to exercise or not exercise the Second Option shall be at Optionee's sole discretion.
- 5.5 Once Optionee has satisfied the Second Option Conditions set forth in subsection 5.1(a)(i), subsection 5.1(a)(ii) and subsection 5.1(b)(i), Optionee may elect (a "**Second Option Acceleration Election**"), at its sole discretion and by delivering written notice to Optionor (a "**Second Option Acceleration Notice**"), to make the Second Option Final Cash Payment and incur the Second Option Final Expenditures within a shorter time frame than those set out in subsection 5.1(a)(iii) and subsection 5.1(b)(ii), as applicable; *provided that*, if Optionee makes such Second Option Acceleration Election:
- (a) Optionee shall not be permitted to make up any Second Option Permitted Shortfall in the Second Option Final Expenditures by paying cash to Optionor in accordance with Section 5.3; and
  - (b) Optionee shall include in the Second Option Acceleration Notice the date by which Optionee shall make the Second Option Final Cash Payment and incur the Second Option Final Expenditures, and such date, which in no circumstances shall be a date later than the second anniversary of the Phase Two Start Date, shall become the date by which Optionee must satisfy the applicable Second Option Conditions pursuant to subsection 5.1(a)(iii) and subsection 5.1(b)(ii), as applicable, for the purpose of Section 10.1.

## 6. OPTIONEE TO OPERATE

- 6.1 Optionee will have the sole and exclusive right and authority to: (a) manage, operate and carry out all Exploration Work on the Properties; and (b) make any decision to commence Commercial Production (a "**Production Decision**").
- 6.2 Promptly following the Effective Date, Optionor will deliver to Optionee copies of all technical and geological information pertaining to the Properties in its possession or control.
- 6.3 In connection with Exploration Work on the Properties, during the Option Period, Optionee:
- (a) shall do all things necessary to maintain the Properties in good standing, including, without limitation: (i) staking and restaking mining claims, (ii) applying for licenses, leases, grants, concessions, permits, patents and other rights to and interests in the Properties, (iii) filing all Exploration Work completed by Optionee

as assessment work with the applicable government registry, and (iv) paying all taxes, assessments or government charges that are imposed upon any improvements, equipment or other personal property placed on the Properties by the Optionee or its representatives or imposed or based on any of the Optionee's activities on the Properties;

- (b) may employ or engage any employees, agents, independent contractors and subcontractors that it considers necessary or advisable to carry out Exploration Work on the Properties;
- (c) shall maintain accounts of all Exploration Expenditures in accordance with generally accepted accounting principles in the mining industry in Canada and provide quarterly reports to the Optionor;
- (d) shall keep full and complete records of all Exploration Work done with respect to the Properties and provide quarterly reports to the Optionor; and
- (e) permit Optionor, at its own expense, to inspect, take abstracts from, or audit any or all of the records and accounts related to the Properties and any Exploration Work done thereon during normal business hours.

6.4 During the Option Period, Optionee and its directors, officers, employees, servants, agents, independent contractors and subcontractors, shall have the unfettered right in respect of the Properties to:

- (a) enter thereon;
- (b) have quiet possession thereof;
- (c) do such prospecting, exploration, development and other mining work thereon and thereunder as the Optionee in its sole discretion may deem advisable;
- (d) bring upon and erect upon the Properties such buildings, plant, machinery and equipment as the Optionee may deem advisable; and
- (e) remove and dispose of reasonable quantities of ores, minerals and metals therefrom for the purposes of obtaining assays or making other tests.

6.5 Optionor shall be permitted reasonable access to the Properties, on reasonable notice and at the Optionor's risk; *provided that*, such access shall not unduly interfere with or disrupt the activities of Optionee.

6.6 No Party shall grant any Encumbrances, other than Permitted Encumbrances, over the Properties following the Effective Date without the prior written consent of the other Party (such consent not to be unreasonably withheld).

## 7. ROYALTIES

7.1 On commencement of Commercial Production from the Properties, Optionee and Optionor will enter into:

- (a) the NSR Royalty Agreement, and Optionee will pay to Optionor the NSR Royalty on the terms described therein; and
- (b) the GP Royalty Agreement, and Optionee will pay to Optionor the GP Royalty on the terms described therein.

7.2 Optionor hereby irrevocably grants to Optionee:

- (a) a right to purchase from Optionor a portion of the NSR Royalty as more particularly to be set out in the NSR Royalty Agreement; and
- (b) a right to purchase from Optionor a portion of the GP Royalty as more particularly to be set out in the GP Royalty Agreement.

7.3 The Parties intend that the Royalties, to the extent permissible under applicable laws, shall constitute an interest in the Properties and, accordingly agree that:

- (a) the Royalties shall run with the Properties, and every interest in the Properties; and
- (b) the Optionee shall upon request sign and deliver to Optionor, and Optionor may record or otherwise record against title to the Properties, the form of notice or other document or documents as the Optionor may reasonably request to give notice of the existence of the Royalties to third parties, to secure payment of the Royalties and protect the Optionor's rights to receive the Royalties as contemplated by the Royalty Agreements.

## 8. SHARE SALES PROCESS

8.1 During any period that Optionor owns more than 5% of Optionee's issued and outstanding Common Shares, Optionor shall not sell Common Shares in an amount equal to or exceeding 10% of its aggregate shareholding in Optionee (the "**Restricted Amount**") in any calendar quarter without the prior written approval of Optionee.

8.2 If Optionor wishes to sell Common Shares in an amount equal to or exceeding the Restricted Amount in any calendar quarter, Optionor shall deliver written notice to Optionee setting out the proposed number Common Shares to be sold, the proposed sale price for such Common Shares and the timeline for such sale (each, a "**Proposed Sales Notice**"). Within five (5) Business Days of Optionee's receipt of any Proposed Sales Notice, Optionee shall deliver to Optionor a written response (the "**Proposed Sales Notice Response**") either:

- (a) accepting the terms set out in the Proposed Sales Notice, following which Optionee shall use commercially reasonable efforts to place the applicable Common Shares

on the terms contained in the Proposed Sales Notice as soon as reasonably practicable; or

- (b) advising Optionor that Optionee is unable to place the applicable Common Shares on the terms set out in the Proposed Sales Notice, and setting out new terms of an alternative sale of the Common Shares that Optionee is able to arrange (a “**Revised Proposed Sales Notice**”).

8.3 If Optionee rejects the terms of the Proposed Sales Notice pursuant to Section 8.2(b), Optionor shall, within five (5) Business Days of receiving the Revised Proposed Sales Notice, either:

- (a) accept the Revised Proposed Sales Notice, following which Optionee shall use commercially reasonable efforts to place the applicable Common Shares on the terms contained in the Revised Proposed Sales Notice Response as soon as reasonably practicable; or
- (b) deliver to Optionee a written counteroffer to the Revised Proposed Sales Notice (a “**Counteroffer**”).

8.4 If Optionor makes a Counteroffer pursuant to Section 8.3(b), Optionee shall, within five (5) Business Days of receiving the Counteroffer, either:

- (a) accept the Counteroffer, following which Optionee shall use commercially reasonable efforts to place the applicable Common Shares on the terms contained in such Counteroffer as soon as reasonably practicable; or
- (b) reject the Counteroffer.

8.5 If Optionee rejects the Counteroffer pursuant to Section 8.4(b), Optionor shall be permitted to sell the number of Common Shares set out in the Proposed Sales Notice on the terms contained in the Proposed Sales Notice for a period of thirty (30) days from the date on which Optionee rejected the Counteroffer pursuant to Section 8.4(b); *provided that*, if Optionor is unable to sell such Common Shares on the terms contained in the Proposed Sales Notice within such thirty (30) day period, any further sale of such Common Shares shall once again become subject to the procedures set out in this Article 8.

## 9. DISPOSITION OF PROPERTIES

9.1 Optionee may elect, in its sole discretion, to surrender or abandon any one or more of the claims comprising the Properties (the “**Abandoned Claims**”) by giving not less than 10 Business Days’ written notice to Optionor of such intention.

9.2 Upon any abandonment of claims effected in accordance with Section 9.1:

- (a) Optionor may elect to Purchase any or all such Abandoned Claims for \$1.00 and such Abandoned Claims shall cease to form part of the Properties for all purposes of this Agreement; and

- (b) Optionee will deliver to Optionor all necessary documents in registrable form in order to validly and effectively transfer such Abandoned Claims to Optionor, and Optionee and Optionor will work together to register Optionor's 100% interest in and to the Abandoned Claims as soon as practicable.
- 9.3 For a period of one (1) year from the date on which all mining operations (including any reclamation work) with respect to all or any part of the Properties has permanently ceased (each, an "**End Life Property ROFR Period**"), Optionor shall have a right of first refusal (the "**End Life Property ROFR**") to purchase all or any part of the Properties on which mining operations (including any reclamation work) has permanently ceased (each, an "**End Life Property**"). If Optionee wishes to sell, transfer, assign or convey an End Life Property during the applicable End Life Property ROFR Period, or receives any written bona fide arm's length third-party offer (an "**End Life Property Offer**") to purchase an End Life Property during the applicable End Life Property ROFR Period which Optionee is prepared to accept, Optionee shall give written notice (an "**End Life Property Sale Notice**") to Optionor of all the material terms of such End Life Property Offer (an "**End Life Property Sale Terms**"), which must contain a good faith estimate of the cash equivalent of any non-cash consideration. Optionor shall then have ninety (90) days, calculated from the date of receipt of the End Life Property Sale Notice, within which to elect in writing to purchase all (but not less than all) of the End Life Property on terms no less favourable than the End Life Property Sale Terms. If Optionor does not make such written election within such ninety (90) day period, Optionor shall be deemed to have elected to not purchase the End Life Property. If Optionor elects to not purchase the End Life Property or is deemed to have elected to not purchase the End Life Property, then Optionee may sell the End Life Property to any arm's length third party on terms no more favourable than the End Life Property Sale Terms within sixty (60) days immediately following expiry of Optionor's ninety (90) day election period. If Optionee does not complete the sale of the End Life Property within such sixty (60) day sale period, then Optionor shall once again have the right of first refusal to purchase all or any part of the End Life Property not sold by Optionee and the provisions of this Section 9.3 shall once again apply to any sale, transfer, assignment or conveyance of all or any part of the End Life Property.

## 10. TERMINATION

- 10.1 Should Optionee fail to meet any of the obligations set out in Section 3.1 (including as amended by an Acceleration Notice delivered by Optionee to Optionor in accordance with Section 3.5), and the Optionee has not begun to cure any such default, other than a default that may be satisfied by cash payment, within forty-five (45) days of the applicable date of default and such default has not been completely cured within sixty (60) days of the applicable date of default, Optionor may terminate the Option forthwith by written notice to the Optionee, without any compensation to Optionee. As to any default that may be cured by cash payment, Optionor may terminate this Agreement if Optionee has not fully satisfied such payment obligation within thirty (30) days of the applicable date of default. Such termination by Optionor shall not affect Optionor's rights to seek any other remedies available at law or equity.



- 10.2 Optionee may terminate the Option at any time upon giving written notice of such termination to Optionor.
- 10.3 Following the termination of the Option by Optionor pursuant to Section 10.1 or by Optionee pursuant to Section 10.2, as applicable:
- (a) Optionee shall:
    - (i) within sixty (60) days of the effective date of termination, deliver to Optionor:
      - (A) copies of all factual maps, reports, assay results and other factual data and documentation in its possession relating to its operations on the Properties, including, but not limited to, any logs of holes drilled thereon, ore values encountered, and assay analyses thereof; and
      - (B) a written instrument or instruments evidencing the termination of this Agreement, in a form appropriate for recording and acceptable to Optionor;
    - (ii) reclaim in accordance with applicable laws all surface disturbance on the Properties that was caused by Optionee. For the avoidance of doubt, roads existing as of the Effective Date of this Agreement may be left in their then current state to the extent allowed by law; provided that, Optionee shall close and reclaim any new roads or access routes that it constructed on the Properties after the Effective Date as required by law. Following expiration or termination of this Agreement, Optionee shall have the continued right to access to the Properties to complete such reclamation of the Properties and to make such inspections as may be required by law, for so long as is reasonably necessary to complete all such reclamation;
    - (iii) vacate the Properties within a reasonable period of time after Optionee completes the reclamation work required by clause (ii) above (including by removing from the Properties all buildings, plant, equipment, machinery, tools, appliances and supplies which have been brought upon the Properties by or on behalf of Optionee); provided that, Optionee shall have the right, for a period of one-hundred and eighty (180) days following completion of such reclamation work, to remove from the Properties all buildings, plant, equipment, machinery, tools, appliances and supplies which have been brought upon the Properties by or on behalf of Optionee; and
    - (iv) surrender the Properties to Optionor free and clear of any Encumbrances created or caused by Optionee; and
  - (b) Optionor may, within sixty (60) days of the effective date of termination, at Optionor's sole cost, acquire and transport to a location selected by Optionor any

drill core, drill cutting sample pulps or other samples in Optionee's possession that were collected from the Properties.

- 10.4 No termination or expiration of this Agreement shall release a Party or its successor or assignees from any Liability or obligation under this Agreement, whether arising by way of indemnity or otherwise, resulting from or relating to any acts, omissions or events that occurred before the effective date of expiration or termination.
- 10.5 The provisions of this Article 10 shall survive the expiration or termination of this Agreement.

## **11. CONFIDENTIAL INFORMATION AND PRESS RELEASES**

- 11.1 Except as otherwise provided in this Article 11 and except for the Memorandum recorded pursuant to Section 13.4, the terms and conditions of this Agreement shall be treated by the Parties as confidential information, and no Party shall disclose such information to a third party without the prior written consent of the other Party; provided that, the Parties acknowledge that this Agreement may be required to be disclosed (with appropriate redactions) by Optionee on SEDAR+ in connection with stock exchange or securities regulatory authority requirements. The disclosure restrictions set forth in this Section 11 shall apply during the term of this Agreement and for a period of one (1) year following the termination or expiry of this Agreement. The disclosure restrictions in this Article 11 shall not apply to disclosures to any Affiliate, to any public or private financing agency or institution, securities regulatory authority, to any contractors or subcontractors the Parties may engage and to employees, attorneys, agents and consultants of the Parties, or to any third party to which a Party contemplates the transfer, sale, assignment or other disposition of their interest in the Properties, or with which a Party or its Affiliate contemplates a merger, amalgamation or other corporate reorganization, provided, however, that any such third party to whom disclosure is made has a legitimate business need to know the disclosed information, and shall first agree in writing to protect the confidential nature of such information at least to the same extent as the Parties are obligated under this Article 11. In the event a Party is required to disclose the terms of this Agreement to any federal, state, provincial or local government, any court, agency or department thereof, or any stock exchange or securities regulatory authority, the Party so required shall immediately notify the other Party of such requirement and the proposed form and content of the disclosure. To the extent legally permissible, such notice shall be delivered at least two (2) Business Days prior to the date of the disclosure. The non-disclosing Party shall have the right to review and comment upon the form and content of the disclosure and to reasonably object to such disclosure to the entity seeking the information and reasonably seek confidential treatment of such information by the receiving entity.
- 11.2 Unless otherwise prohibited by applicable laws, before issuing any press release relating to this Agreement, the releasing Party shall provide the other Party two (2) Business Days advance written notice, with a copy of the proposed release. The releasing Party shall make any changes to the proposed release reasonably requested by the other Party; provided that each Party shall be entitled to make such announcements and disclosures as are, in the opinion of its counsel, required by laws.

## **12. NOTICE**

12.1 Any notice, direction or other communication required or permitted to be given under this Agreement will be in writing and will be given by personal delivery or by prepaid registered or certified mail or by facsimile or other form of communication, in each case addressed as follows:

(a) if to Optionee:

LION ROCK RESOURCES INC.

200 Burrard Street, Suite 1615

Vancouver, BC V6C 3L6, Canada

Attention: Dale Ginn, President & CEO

Email:

Phone:

(b) if to Optionor:

TINTON PARTNERS and THE TINTON LAND, LLC

S6066 County Rd. T

Viroqua, WI 54665-6604, United States

Attention: John Beatty, III, Partner

Email:

Phone:

12.2 Any notice, direction or other communication will, if delivered, be deemed to have been given and received on the day it was delivered, and if mailed, be deemed to have been given and received on the third Business Day following the day of mailing, except in the event of disruption of the postal services in which event notice will be deemed to be received only when actually received, and if sent by e-mail or other form of communication, will be deemed to have been given or received on the next Business Day following the date on which it was so sent.

12.3 Any Party may at any time give to the other party notice in writing of any change of address of the Party giving such notice and from and after the giving of such notice, the address or addresses therein specified will be deemed to be the address of such Party for the purpose of giving notice under this Agreement.

## **13. GENERAL**

### **13.1 Further Assurances**

The Parties hereto agree that they and each of them will execute all documents and do all acts and things within their respective powers to carry out and implement the provisions or intent of this Agreement.

### 13.2 Expenses

Each of the Parties will bear their own expenses in respect of the entering into this to this Agreement and the consummation of the transactions contemplated herein.

### 13.3 Payment

All references to monies hereunder will be in United States dollars except where otherwise designated. All payments to be made to any Party hereunder will be mailed or delivered to such Party at its address for notice purposes as provided herein, or for the account of such Party at such bank or banks as such Party may designate from time to time by written notice. Such bank or banks will be deemed the agent of the designating Party for the purpose of receiving, collecting and receiving such payment.

### 13.4 Memorandum

A memorandum of this Agreement shall be recorded in the records of Lawrence County, South Dakota, United States and Crook County, Wyoming promptly after execution of this Agreement. This Agreement shall not be recorded.

### 13.5 Exchange Approval

The Parties acknowledge and agree that the First Option Share Issuances are subject to the approval of the Exchange. Optionee will use commercially reasonable efforts to obtain the necessary Exchange approval for the First Option Share Issuances as soon as reasonably practicable following the Effective Date.

### 13.6 Share Calculations

- (a) For the purpose of calculating the value of the Consideration Shares issuable pursuant to the terms of this Agreement, the price per Consideration Share shall be calculated using:
  - (i) the volume weighted average price of the Common Shares for the twenty (20) trading days immediately prior to the applicable date, subject to any minimum price required by the Exchange from time to time, as those rules apply to the issuance of Common Shares; and
  - (ii) the Bank of Canada's daily exchange rate from Canadian dollars to Dollars on the applicable date (or, in the event that a daily exchange rate is not quoted for the applicable date, the first preceding date for which a daily exchange rate is quoted).
- (b) If Optionor directs Optionee to issue any Consideration Shares to a person other than Optionor pursuant to Section 3.1(b), then the aggregate shareholdings of the Optionor and such other person(s) shall be taken together when calculating Optionor's percentage shareholding in Optionee for the purpose of Section 3.1(b) and Article 8.

### **13.7 Assignment**

No Party may assign or transfer, whether absolutely, by change of Control, by way of security or otherwise, all or any part of its rights, duties or obligations under this Agreement without the prior written consent of the other Party (such consent not to be unreasonably withheld); provided that, such assignment provisions shall not be triggered in the event of a *bona fide* reorganization of the Party or the transfer to an Affiliate; provided further that, the original Parties to this Agreement shall remain liable for all the rights and obligations under this Agreement.

### **13.8 No Partnership**

Nothing in this Agreement shall be deemed to constitute either Party the partner of the other or to create any fiduciary obligation between the Parties. This Agreement is not intended to create any mining, commercial or other partnership. Neither Party shall have any authority to act for or to assume any obligation or responsibility on behalf of the other Party, except as expressly provided in this Agreement.

### **13.9 Enurement**

This Agreement enures to the benefit of and is binding upon the parties hereto and their respective successors and permitted assigns.

### **13.10 Governing Law**

This Agreement shall be interpreted in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

### **13.11 Entire Agreement**

This Agreement, including the Schedules attached hereto, constitutes the entire agreement between the parties and replaces and supersedes all prior agreements, memoranda, correspondence, communications, negotiations and representations, whether verbal or written, express or implied, statutory or otherwise between the parties with respect to the subject matter herein.

### **13.12 Waiver and Modification**

No waiver of any provision of this Agreement, or waiver of any breach of this Agreement, shall be effective unless the waiver is in writing and is signed by the Party against whom the waiver is claimed. No waiver of any breach shall be deemed to be a waiver of any other subsequent breach. No modification, variation, or amendment of this Agreement shall be effective unless it is in writing and signed by all Parties to this Agreement.

### **13.13 Time of Essence**

Time is of the essence in this Agreement.

#### 13.14 **Counterparts**

This Agreement may be executed in counterparts, each of which shall be deemed to be an original and all such counterparts together shall constitute one and the same agreement.

#### 13.15 **Severability**

If any one or more of the provisions or stages contained herein is declared invalid, illegal or unenforceable in any respect in any jurisdiction, the validity, legality and enforceability of such provisions will not in any way be affected or impaired thereby in any other jurisdiction and the validity, legality and enforceability of the remaining provisions contained herein will not in any way be affected or impaired thereby. The Parties have been represented by legal counsel in negotiating preparing this Agreement and the Schedules and any rules of construction for or against the drafter of an agreement shall not be applicable.

*[Remainder of page intentionally left blank.]*

**IN WITNESS WHEREOF** the parties hereto have executed this Agreement as of the Effective Date.

**TINTON PARTNERS**, by its Managing Agent

By: /s/John Beatty

Name: John Beatty, III

Title: Partner

**THE TINTON LAND, LLC**

By: /s/John Beatty

Name: John Beatty, III

Title: Partner

**LION ROCK RESOURCES INC.**

By: /s/R. Dale Ginn

Name: R. Dale Ginn

Title: President and CEO

**SCHEDULE “A”  
THE PHASE ONE PROPERTIES**

- 40 mineral claims

Name	US Mineral Survey Number	Area (Acre)	Surface Rights	Mineral Rights	Section	Township	Range	Meridian	County	State
Giant	444	9.2	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Poorman	503	10.2	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Blacker	1181	10.3	x	x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Mace	1182	10.3	x	x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Union	1776	8.0	x	x	18 19	5 North	1 East	Black Hills	Lawrence	South Dakota
Yeddo	1776	10.9	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Yeddo No. 1	1776	8.6	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Bath	1776	10.1	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Bath No. 1	1776	4.4	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Hamburg	1777	9.5	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Gosford	1877	7.3	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota



Name	US Mineral Survey Number	Area (Acre)	Surface Rights	Mineral Rights	Section	Township	Range	Meridian	County	State
Volney	1877	7.9	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Maude S	1877	9.3	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Maude E. Fraction	1877	9.0	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Hub	1877	7.1	x	x	19 30	5 North	1 East	Black Hills	Lawrence	South Dakota
Rough & Ready	1877	7.8	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Porphry	1877	9.7	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Sylva	1877	11.7	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Tempest	1877	14.0	x	x	19 (partially in WY)	5 North	1 East	Black Hills	Lawrence	South Dakota
Allie Fraction	1877	5.0	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
August Fraction	1877	9.8	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Baltimore	1877	4.5	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Daisy	1877	12.4	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Detroit	1877	9.9	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Lander	1877	9.0	x	x	30	5 North	1 East	Black Hills	Lawrence	South Dakota

Name	US Mineral Survey Number	Area (Acre)	Surface Rights	Mineral Rights	Section	Township	Range	Meridian	County	State
Princeton	1877	10.3	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Washington	1877	10.9	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Daisy No. 1	1877	1.4	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Hudson	1877	8.4	x	x	19 30	5 North	1 East	Black Hills	Lawrence	South Dakota
Metal	1877	10.0	x	x	19 30	5 North	1 East	Black Hills	Lawrence	South Dakota
Yulee	1877	5.4	x	x	19 30	5 North	1 East	Black Hills	Lawrence	South Dakota
Lander No. 1	1877	2.1	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Giant Fraction	1877	5.0	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Government Lot 3			x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Government Lot 10			x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Washtenaw	282	19.100	x	x	28	51 North	60 West	6th Principal	Crook	Wyoming
Frankfort	282	19.080	x	x	28	51 North	60 West	6th Principal	Crook	Wyoming
Tallaho	282	17.910	x	x	28	51 North	60 West	6th Principal	Crook	Wyoming

<b>Name</b>	<b>US Mineral Survey Number</b>	<b>Area (Acre)</b>	<b>Surface Rights</b>	<b>Mineral Rights</b>	<b>Section</b>	<b>Township</b>	<b>Range</b>	<b>Meridian</b>	<b>County</b>	<b>State</b>
Napoleon	75	10.020	x	x	28	51 North	60 West	6th Principal	Crook	Wyoming
Mountain Side	282	5.500	x	x	28	51 North	60 West	6th Principal	Crook	Wyoming

**SCHEDULE “B”  
THE CARVE-OUT PROPERTY**

- 9 mineral claims

<b>Name</b>	<b>US Mineral Survey Number</b>	<b>Area (Acre)</b>	<b>Surface Rights</b>	<b>Mineral Rights</b>	<b>Section</b>	<b>Township</b>	<b>Range</b>	<b>Meridian</b>	<b>County</b>	<b>State</b>
Van	501	6.8		x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Spearfish	502	8.0		x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Grub No. 2	1180	10.3		x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Twin Pine	1282	10.1		x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Centaur	1877	14.7		x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Yosemite	1877	10.1		x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Penn	1877	15.6		x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Canto	1877	20.5		x	19 30	5 North	1 East	Black Hills	Lawrence	South Dakota
Iron	1877	13.4		x	19 30	5 North	1 East	Black Hills	Lawrence	South Dakota

**SCHEDULE “C”  
THE PHASE TWO PROPERTIES**

- 60 mineral claims

<b>Name</b>	<b>US Mineral Survey Number</b>	<b>Area (Acre)</b>	<b>Surface Rights</b>	<b>Mineral Rights</b>	<b>Section</b>	<b>Township</b>	<b>Range</b>	<b>Meridian</b>	<b>County</b>	<b>State</b>
US Mineral Survey Placer Claim No. 393	393	138.270		x		5 North	1 East	Black Hills	Lawrence	South Dakota
New York	457	9.880		x	18	5 North	1 East	Black Hills	Lawrence	South Dakota
Manchester	495	9.880		x	18	5 North	1 East	Black Hills	Lawrence	South Dakota
Lula	496	8.120		x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Jersey No. 1	497	10.250		x	30 31	5 North	1 East	Black Hills	Lawrence	South Dakota
Jersey No. 2	498	10.230		x	30 31	5 North	1 East	Black Hills	Lawrence	South Dakota
Modoc Chief	499	9.550		x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Crow Dog	500	5.600		x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Diamond	586	10.330		x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Alice	587	10.330		x	30	5 North	1 East	Black Hills	Lawrence	South Dakota

Name	US Mineral Survey Number	Area (Acre)	Surface Rights	Mineral Rights	Section	Township	Range	Meridian	County	State
Big Blowout	588	10.330		x	18	5 North	1 East	Black Hills	Lawrence	South Dakota
New Orleans	589	10.330		x	18	5 North	1 East	Black Hills	Lawrence	South Dakota
Dalcoath	602	9.500		x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Wanita	603	10.120		x	18 19	5 North	1 East	Black Hills	Lawrence	South Dakota
Pullman	604	9.530		x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Jackson Fraction	1179			x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Aurora Fraction	1179			x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Surprise	1179			x	18 19	5 North	1 East	Black Hills	Lawrence	South Dakota
Webfoot	1179			x	18	5 North	1 East	Black Hills	Lawrence	South Dakota
Clyde	1179			x	18	5 North	1 East	Black Hills	Lawrence	South Dakota
Richmond	1180			x	19 30	5 North	1 East	Black Hills	Lawrence	South Dakota
Capleton	1180			x	19 30	5 North	1 East	Black Hills	Lawrence	South Dakota
Grub	1180			x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Mary Ann	1181	10.330		x	30	5 North	1 East	Black Hills	Lawrence	South Dakota

Name	US Mineral Survey Number	Area (Acre)	Surface Rights	Mineral Rights	Section	Township	Range	Meridian	County	State
Yankee Nation	1183	9.963		x	19 20	5 North	1 East	Black Hills	Lawrence	South Dakota
Union Fraction	1776			x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Grandview	1776			x	18 19	5 North	1 East	Black Hills	Lawrence	South Dakota
Grandview No. 1	1776			x	18 19	5 North	1 East	Black Hills	Lawrence	South Dakota
Grandview No. 2	1776			x	18 19	5 North	1 East	Black Hills	Lawrence	South Dakota
Grandview Fraction	1776			x	18 19	5 North	1 East	Black Hills	Lawrence	South Dakota
Dandy	1776			x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Dandy No. 1	1776			x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Dandy Fraction	1776			x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Crest	1778	10.207		x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Cornelia	1877			x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Salvator	1877			x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Sewee	1877			x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Mable	1877			x	30	5 North	1 East	Black Hills	Lawrence	South Dakota

Name	US Mineral Survey Number	Area (Acre)	Surface Rights	Mineral Rights	Section	Township	Range	Meridian	County	State
Yuba	1877			x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Yocum	1877			x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Yantic	1877			x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Sac	1877			x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Boston	1877			x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Swansea No. 5	1877			x	18	5 North	1 East	Black Hills	Lawrence	South Dakota
Swansea No. 3&4	1877			x	18 19	5 North	1 East	Black Hills	Lawrence	South Dakota
Swan	1877			x	18	5 North	1 East	Black Hills	Lawrence	South Dakota
Fenn	1877			x	18 19	5 North	1 East	Black Hills	Lawrence	South Dakota
Fenn No. 1	1877			x	18 19	5 North	1 East	Black Hills	Lawrence	South Dakota
Pan	1877			x	18	5 North	1 East	Black Hills	Lawrence	South Dakota
Great Eastern	1877			x	18	5 North	1 East	Black Hills	Lawrence	South Dakota
Vale	1877			x	18	5 North	1 East	Black Hills	Lawrence	South Dakota
Tintic	1877			x	19	5 North	1 East	Black Hills	Lawrence	South Dakota



Name	US Mineral Survey Number	Area (Acre)	Surface Rights	Mineral Rights	Section	Township	Range	Meridian	County	State
Tintic No. 1	1877			x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Republic	1877			x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Lansing	1877			x	18 19 (partially in WY)	5 North	1 East	Black Hills	Lawrence	South Dakota
Alto	1877			x	19 30	5 North	1 East	Black Hills	Lawrence	South Dakota
Amoy	1877			x	19 30	5 North	1 East	Black Hills	Lawrence	South Dakota
Will	1877			x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Lafayette No. 1	1877			x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Lafayette No. 2	1877			x	30 (partially in WY)	5 North	1 East	Black Hills	Lawrence	South Dakota

**SCHEDULE “D”  
FORM OF GP ROYALTY AGREEMENT**

*(See attached)*

**GROSS PROCEEDS  
ROYALTY AGREEMENT**

**BETWEEN  
LION ROCK RESOURCES INC  
AND  
TINTON PARTNERS  
AND  
THE TINTON LAND, LLC**

**THIS GROSS PROCEEDS ROYALTY AGREEMENT** is dated the \_\_\_\_ day of [●], [●]

**BETWEEN:**

**LION ROCK RESOURCES INC.**<sup>1</sup>, a company existing under the laws of British Columbia and having an office at 200 Burrard Street, Suite 1615, Vancouver, BC V6C 3L6, Canada

(including its successors and permitted assigns, the "**Payor**")

**AND**

**TINTON PARTNERS**, a partnership registered under the laws of Illinois and having an office at S6066 County Rd. T, Viroqua, WI 54665-6604, United States

("Tinton Partners")

**AND**

**THE TINTON LAND, LLC**, a limited liability company existing under the laws of South Dakota and having an office at S6066 County Truck Road T, Viroqua, WI 54665 United States

("Tinton Land", together with Tinton Partners, including their successors and assigns, the "**Royalty Holder**")

**WHEREAS** pursuant to the terms of an Option Agreement dated October 1, 2024 (the "**Option Agreement**") between the Royalty Holder and the Payor, the Payor has agreed to grant to the Royalty Holder the Royalty (as defined herein) on the terms and subject to the conditions set out herein.

**NOW THEREFORE** in consideration of the mutual covenants and agreements contained in this Agreement and for other good and valuable consideration (the receipt and adequacy of which are acknowledged), the Parties (as defined herein) agree as follows:

## **ARTICLE 1 INTERPRETATION**

### **1.1 Definitions**

In this Agreement, unless otherwise provided:

- (a) "**Abandonment Date**" has the meaning given in Section 5.2(a).

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<sup>1</sup> If Lion Rock incorporates a subsidiary to hold the property, the parties agree that such subsidiary will be the Payor and Lion Rock will, as parent, provide a guarantee in respect of all of the subsidiary's obligations hereunder.

- (b) **“Abandonment Property”** has the meaning given in Section 5.2(a) and, for certainty, includes the surrendered mineral titles acquired by the Payor, or an Affiliate of the Payor or their respective Personnel, agents or joint actors, as referred to in Section 5.2(d).
- (c) **“Acceptable Accounting Standards”** means International Financial Reporting Standards adopted by the International Accounting Standards Board from time to time.
- (d) **“Affiliate”** means, with respect to a Person, any other Person that directly or indirectly (through one or more intermediaries) Controls, is Controlled by or is under common Control with, the first-mentioned Person.
- (e) **“Agreement”** means this agreement together with its exhibits.
- (f) **“Approved Standard”** means any of the Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards on Mineral Resources and Mineral Reserves, Subpart 1300 of Regulation S-K under the United States Securities Act of 1933 and the United States Securities Exchange Act of 1934, the JORC Code, the SAMREC Code, or any other classification system for the reporting of mineral reserves and mineral resources that qualifies as an “acceptable foreign code” for purposes of NI 43-101 from time to time, in each case as such classification may be in effect from time to time, or any successor instrument, rule or policy to any of the foregoing.
- (g) **“Authorization”** means any authorization, approval, consent, concession, exemption, license, lease, grant, permit, franchise, right (including surface rights, access rights, rights of way, privileges, concessions or franchises granted to or held by the Payor by, or required to be obtained from, any Person (including a Governmental Body), for the exploration of the Property or the construction, development and operation of a mine on the Property), privilege or no-action letter from any Governmental Body having jurisdiction with respect to any specified Person, property, transaction or event, or with respect to any of such Person’s property or business and affairs (including any zoning approval, mining permit, development permit or building permit) or from any Person in connection with any easements, contractual rights or other matters, but in each case excludes the Property.
- (h) **“Average Spot Price”** means, for any Quarter:
  - (i) in respect of silver, the average daily London Bullion Metal Association per troy ounce “Silver Price” in United States dollars, calculated by dividing the sum of all such prices reported for the Quarter by the number of days for which such prices were reported;
  - (ii) in respect of platinum group metals, the average platinum “First Position Settlement” price as published by NYMEX on the CME Group Inc. website, calculated by dividing the sum of all such prices reported for the Quarter by the number of days for which such prices were reported;
  - (iii) in respect of copper, the average daily official cash settlement quotation for Grade 'A' copper quoted in United States dollars (as published in Fastmarkets MB), calculated by dividing the sum of all such prices reported for the Quarter by the number of days for which such prices were reported;

- (iv) in respect of nickel, means the average daily London Metal Exchange cash settlement price for nickel metal in United States dollars, calculated by dividing the sum of all such prices reported for the Quarter by the number of days for which such prices were reported; and
- (v) in respect of any Other Mineral, the arithmetic average of the price of such Other Mineral on each Business Day of the applicable Quarter on which the price of the metal or mineral is so quoted, where such price is arrived at using the industry standard in Canada for establishing the average spot price of any other such Other Mineral.
- (i) **“Business Day”** means a day that is not a Saturday, Sunday or any other day which is a statutory holiday or a bank holiday in State of South Dakota or Province of British Columbia.
- (j) **“Claim”** includes any actual claim, action, damage, loss, liability, cost, charge, expense, outgoing, payment or demand, whether at law, in equity, under statute, contract or otherwise.
- (k) **“Commercial Production”** means the operation of the Property or any portion of the Property as a producing mine and the production of Products from the Property (excluding bulk sampling, pilot plant, or test operations);
- (l) **“Commingling Plan”** has the meaning given in Section 4.3.
- (m) **“Confidential Information”** has the meaning given in Section 9.1(a).
- (n) **“Control”** or **“Controlled”** means:
  - (i) when used as a verb:
    - (A) the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through the legal or beneficial ownership of either more than 50% of the securities or interests or sufficient securities or interests to elect a majority of the directors, trustees or other governing body of such person, by contract or otherwise; and
    - (B) with respect to a natural person, the actual or legal ability to control the actions of another, through family relationship, agency, contract or otherwise, and
  - (ii) when used as a noun, an interest that gives the holder the ability to exercise any of the powers described in clause (i).
- (o) **“Dispute”** has the meaning given in Section 10.5(a).
- (p) **“Dispute Notice”** has the meaning given in Section 10.5(a).
- (q) **“Eligible Metals”** has the meaning given in Section 3.3.

- (r) **“Encumber”** means to grant a right, title or interest, including pursuant to the exercise of rights under any Encumbrance.
- (s) **“Encumbrance”** means any mortgage, deed of trust, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, security interest, priority or other security agreement, preferential arrangement or encumbrance of any kind or nature whatsoever (whether contingent or absolute or whether consensual, arising by law or otherwise, and any agreement, option or privilege and capable of becoming any of the foregoing), including any conditional sale or other title retention agreement or the interest of a lessor under a capital lease or finance obligation (or any similar arrangement) or prior claims or royalties of any nature whatsoever, whether registered or recorded or unregistered or unrecorded.
- (t) **“Environment”** includes the air, surface water, groundwater, body of water, any land, soil or underground space even if submerged under water or covered by a structure, all living organisms and the interacting natural systems that include components of air, land, water, organic and inorganic matters and living organisms and the environment or natural environment as defined in any Environmental Law and **“Environmental”** will have a similar extended meaning.
- (u) **“Environmental Laws”** means all Laws relating in whole or in part to the Environment, including those relating to the storage, generation, use, handling, manufacture, processing, transportation, import, export, treatment, release, disposal, dumping, incineration, spraying, pumping, injecting, depositing or burying of any Hazardous Substance.
- (v) **“Good Industry Practice”** means, in relation to any decision or undertaking, the exercise of that degree of diligence, skill, care, prudence, oversight, economy and stewardship which is commonly observed or would reasonably be expected to be observed by skilled and experienced mining, engineering, environmental and other professionals in the U.S. mining industry engaged in the same type of undertaking under the same or similar circumstances.
- (w) **“Governmental Body”** means any federal, provincial, state, territorial, regional, municipal, local government or authority, quasi government authority, fiscal or judicial body, government or self-regulatory organisation, commission, board, tribunal, organisation, stock exchange or any regulatory, administrative or other agency, or any political or other subdivision, department, or branch of any of the exercising governance powers by right, title or custom.
- (x) **“Gross Proceeds”** means, with respect to any given Quarter, without duplication:
  - (i) subject to Section 1.1(x)(iii), if Product is sold in a form for which an Average Spot Price is available, then such Product will be deemed to have been Sold at the Average Spot Price for such Product for the Quarter in which such Product was produced, and the Gross Proceeds in respect of such Product will be determined by multiplying the amount of such Product Sold by the Average Spot Price for such Product for such Quarter;
  - (ii) subject to Section 1.1(x)(iii), if Product is sold in a form for which an Average Spot Price is not available, then the Gross Proceeds in respect of such Product will be equal to the amount of gross proceeds actually received by the Payor from the

Sale (whether immediate or for future delivery) of such Product during the applicable Quarter;

- (iii) if Sales occurs in connection with (A) Trading Activities, (B) Sale to a non-arm's length purchaser; or (C) Sale to a counterparty to a streaming agreement during the applicable Quarter, then the Gross Proceeds will be based on the value of such Product ex-headframe or mine site loading facility, in the case of ores, or ex-mill or other treatment facility, in the case of other such Product, in both cases with reference to the applicable Average Spot Price during the applicable Quarter, without regard to the proceeds received by the Payor or its Affiliates;
- (iv) if there is a Loss of Product, then the Gross Proceeds will be equal to the sum of the insurance proceeds received by the Payor in respect of such Loss.

For greater certainty and notwithstanding any other provision in this Agreement, in determining quantity of metals in Product to be used in the calculation of "Gross Proceeds", the aggregate quantity of metals in Product, as determined by full and final assays, if applicable, will be used as the basis in determining the amount of Product Sold under this Agreement, irrespective of any payability factors applied by any offtaker or other purchaser. If the Royalty Holder disagrees with the determination of value of Products by the Payor then the Royalty Holder may propose that an Independent Expert make a final determination of value of the Product. The Royalty Holder will pay all costs of the Independent Expert unless the Parties otherwise agree or the Independent Expert determines that there has been a deficiency of 3% or more of the value of such Product in which case the Payor will pay the costs of the Independent Expert.

- (y) "**Hazardous Substance**" means any pollutant, contaminant, waste, hazardous substance, hazardous material, toxic substance, dangerous substance or dangerous good as defined, judicially interpreted or identified in any Environmental Law.
- (z) "**ICC Rules**" has the meaning given in Section 10.5(b).
- (aa) "**In-Kind Delivery**" has the meaning given in Section 0.
- (bb) "**Indemnified Party**" has the meaning given in Section 7.1.
- (cc) "**Independent Expert**" means a person who is:
  - (i) a suitably qualified expert who has qualifications and experience appropriate to determine market prices or value of Products and where applicable shall make its determination in accordance with the objective valuation methods commonly utilized in the international mining industry and other standards generally accepted by mining professionals in the international mining industry; and
  - (ii) independent of the Parties and has no direct or indirect personal interest in the outcome of the decision he or she is requested to make and, unless otherwise agreed between the Parties, must not (and whose firm must not) have acted for any Party in any material capacity for a period of at least two (2) years preceding the date of his or her appointment.
- (dd) "**Law**" includes:



- (i) any national, federal, provincial, territorial, state, regional, municipal, or local statute, law, by law, rule, regulation, code or ordinance;
  - (ii) any judgment, decree, writ, administrative interpretation, guideline, policy, injunction, order or the like, of any Governmental Body;
  - (iii) common law or equity; and
  - (iv) any Governmental Body standard, protocol, order, requirement, approval or consent (including conditions in respect of any standard, protocol, order, requirement, approval or consent).
- (ee) **“Loss”** means an insurable or recoverable loss of or damage to Product, whether or not occurring on or off the Property and whether the Product is in the possession of the Payor, its Affiliates or otherwise.
- (ff) **“Material Adverse Effect”** means any change, event, occurrence, condition, circumstance, effect, state of facts or development that has, or would reasonably be expected to have, individually or in the aggregate, a material and adverse effect on:
- (i) the Property or the ability of the Company to explore, construct, develop or operate a mine on the Property substantially in accordance with the mine plan in effect at the time of the occurrence of such change, event, occurrence, condition, circumstance, effect, state of fact or development, in each case other than changes in general economic or political conditions, commodity prices and the general mining industry, changes in Law, changes relate to securities markets in general, or the commencement or continuation of hostilities, war, natural disaster, pandemics or epidemics, that do not materially and adversely affect the Payor disproportionately compared to other comparable mining companies or any action taken that is required pursuant to this Agreement;
  - (ii) the ability of the Payor to perform its material obligations under this Agreement; or
  - (iii) the legality, validity, binding effect or enforceability of this Agreement, the Royalty or the rights and remedies of the Royalty Holder under this Agreement.
- (gg) **“NI 43-101”** means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators (or any successor instrument, rule or policy).
- (hh) **“Option Agreement”** has the meaning set out in the Recitals.
- (ii) **“Other Minerals”** means all minerals and the beneficiated products thereof other than Quoted Metals or gold, including, without limitation, industrial minerals, rare earth minerals, gems, diamonds, base metals, industrial metals, commercially valuable rock, aggregate, clays and diatomaceous earth, and other minerals which are mined, excavated, extracted or otherwise recovered from the Property).
- (jj) **“Other Source Product”** has the meaning given in Section 4.3.

- (kk) **“Party”** means the Payor or the Royalty Holder and **“Parties”** means both of them.
- (ll) **“Person”** means and includes any individual, corporation, limited liability company, partnership, firm, joint venture, syndicate, association, trust, governmental agency or board or commission or authority and any other form of entity or organization.
- (mm) **“Personnel”** means, at the relevant time, in relation to a Party, any of its (or any Affiliates’) directors, officers, employees, contractors, representatives, professional advisors and agents.
- (nn) **“Prime Rate”** means Royal Bank of Canada’s prime commercial lending rate of interest on Canadian funds, as designated from time to time by the Bank’s head office in Canada.
- (oo) **“Product”** means any and all Quoted Metals and Other Minerals of every nature and kind, in whatever form or state which is mined, produced, excavated, extracted, recovered in soluble solution or otherwise recovered or produced from the Property, including any Quoted Metals or Other Minerals derived from any processing or reprocessing of any Waste Materials, and including ore and any other products resulting from the further milling, processing or other beneficiation of such materials, including concentrate or doré bars.
- (pp) **“Property”** means:
  - (i) the mineral rights located in northern Black Hills, Lawrence County, South Dakota and Crook County, Wyoming which constitute the Phase One Properties (as defined in the Option Agreement), as such mineral rights are set out in Part 1 of Exhibit I hereto; and
  - (ii) to the extent that the Payor has acquired any of the mineral rights located in northern Black Hills, Lawrence County, South Dakota which constitute the Carve-Out Property Mineral Rights or the Phase Two Properties (each as defined in the Option Agreement), such acquired mineral rights as same are set out in Part 2 of Exhibit I hereto,

in each case, together with any present or future mineral rights resulting from renewal, extension, modification, substitution, amalgamation, succession, conversion, renaming or variation of any of those mineral rights or any additional mining rights deriving from those mineral rights (whether granting or conferring the same, similar or any greater rights and whether extending over the same or a greater or lesser domain). For greater certainty, if any of the mineral rights comprising the Carve-Out Property Mineral Rights or the Phase Two Properties (as defined in the Option Agreement) have not been acquired by the Payor as at the date hereof, but are later acquired by the Payor from the Royalty Holder, the Parties agree that any such mineral rights shall, immediately and automatically upon acquisition by the Payor, be added to the definition of “Property” hereunder and the Parties agree to amend this Agreement to include such mineral rights in Exhibit I hereto.

- (qq) **“Quarter”** and **“Quarterly”** mean the period commencing on the date that the Payor or an Affiliate or designee of the Payor first receives payment for the Sale of Product or the out-turn of refined metals by a refinery to the Payor’s or its Affiliate’s pool account in respect of Product and expiring on the day preceding the next occurring 1st day of January, April, July or October and thereafter each successive period of 3 calendar months.

- (rr) **“Quoted Metals”** means silver, platinum group metals, copper and nickel (and, for the avoidance of doubt, does not include gold).
- (ss) **“Repurchase Payment”** has the meaning given in Section 2.4.
- (tt) **“Royalty”** means the Royalty Percentage of the Gross Proceeds to which the Royalty Holder is entitled pursuant to the terms of this Agreement.
- (uu) **“Royalty Holder Representative”** has the meaning given in Section 10.7.
- (vv) **“Royalty Percentage”** means two percent (2.0%), subject to adjustment pursuant to Section 2.4.
- (ww) **“Sale”** or **“Sold”** means the earlier of:
  - (i) Transfer of title to Product from the Payor or its Affiliates to any buyer or other person;
  - (ii) transportation of Product off the Property that the Payor or its Affiliates elects to have credited to or held for its account by a smelter, refiner or broker which shall be a deemed Transfer of title to Product; and
  - (iii) any Loss prior to any Transfer or deemed Transfer of title to Product.
- (xx) **“SEDAR+”** means the SEDAR+ website.
- (yy) **“S-K 1300”** means Subpart 1300 – *Disclosure by Registrants Engaged in Mining Operations* of Regulation S-K adopted by the Securities and Exchange Commission (or any successor instrument, rule or policy).
- (zz) **“Taxes”** means all taxes, levies, duties, assessments and charges of any kind or nature whatsoever imposed or collected by or on behalf of any Governmental Body including corporation income taxes, capital taxes, withholding taxes, realty taxes (including utility charges which are collectible like realty taxes), net proceeds of mines tax, mining taxes and royalties, privilege taxes, excise taxes, business taxes, property transfer taxes, taxes charged on any measure of income or revenue, goods & services tax, harmonized sales tax, turnover, or value added taxes of any nature or kind and any other taxes charged on, or in respect of, the sale or transfer of goods and property of any kind, customs duties, payroll taxes, levies, stamp taxes, royalties, taxes charged on royalties received by royalty recipients, duties, and all fees, including claim fees, deductions, compulsory loans and withholdings imposed, levied, collected, withheld or assessed as at the date hereof or at any time in the future, by or on behalf of any Governmental Body of any jurisdiction whatsoever having power to tax, together with penalties, fines, additions to tax and interest thereon.
- (aaa) **“Trading Activities”** means any and all activities by which the Payor or any of its Affiliates:
  - (i) engages in any commodity futures trading, forward sale or purchase contracts (or both, as the case may be), options trading or metals trading;

- (ii) engages in price protection transactions, arrangements and mechanisms or speculative purchases and sales of forward, futures and option contracts;
  - (iii) engages in any other hedging transactions or arrangements similar to those referred to in paragraph (i) and (ii) above; or
  - (iv) engages in any combination of the foregoing.
- (bbb) “**Transfer**” means to, directly or indirectly, sell, transfer, assign, convey or dispose.
- (ccc) “**Waste Material**” has the meaning given in Section 4.2(a).

## 1.2 Exhibits

The Exhibits attached to this Agreement are by reference incorporated into and form part of this Agreement.

## 1.3 Governing Law

- (a) Except for matters of title to the Property or its Transfer, which will be governed by the Law of its situs (if such situs is outside of the State of South Dakota), this Agreement is governed by the laws of the State of South Dakota and the federal laws of the United States applicable therein, without regard to any conflict of Laws or choice of Laws rules or principles that would permit or require the application of the Laws of any other jurisdiction.
- (b) Subject to Section 10.5, each Party irrevocably submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in the State of South Dakota and any court that may hear appeals from any of those courts for any proceeding in connection with this Agreement.

## 1.4 Severability

If any provision contained in this Agreement is held to be invalid, illegal or unenforceable in any respect under the Laws of any jurisdiction, the validity, legality and enforceability of such provision will not in any way be affected or impaired thereby under the Laws of any other jurisdiction and the validity, legality and enforceability of the remaining provisions contained herein will not in any way be affected or impaired thereby.

## 1.5 Calculation of Time

If any time period set forth in this Agreement ends on a day of the week which is not a Business Day, then notwithstanding any other provision of this Agreement such period will be extended until the end of the next following day which is a Business Day.

## 1.6 Headings

The headings to the Articles and Sections of this Agreement are inserted for convenience only and will not affect the construction thereof.

## 1.7 Other Matters of Interpretation

In this Agreement:

- (a) the singular includes the plural and vice versa;
- (b) the masculine includes the feminine and vice versa;
- (c) references to “Article” and “Section” are to Articles and Sections of this Agreement, respectively;
- (d) all provisions requiring a Party to do or refrain from doing something will be interpreted as the agreement of that Party with respect to that matter, notwithstanding the absence of the words “covenants” or “agrees” or “promises”;
- (e) the word “including” means “including without limitation” and “include” and “includes” will be construed similarly;
- (f) all provisions requiring a Party to do something will be interpreted as including the covenant of that Party to cause that thing to be done when the Party cannot directly perform the covenant, but can indirectly cause that covenant to be performed, whether by an Affiliate under its Control or otherwise;
- (g) the words “hereto”, “herein”, “hereby”, “hereunder”, “hereof” and similar expressions when used in this Agreement refer to the whole of this Agreement and not to any particular Article, Section, subsection, Exhibit or portion thereof;
- (h) any express reference to an enactment (which includes any legislation in any jurisdiction) includes reference to:
  - (i) that enactment as amended, extended or applied by or under any other enactment before or after the date of this agreement;
  - (ii) any enactment which that enactment re-enacts (with or without modification); and
  - (iii) any subordinate legislation (including regulations) made (before or after the date of this agreement) under that enactment, as re-enacted, amended, extended or applied as described in paragraph (i) above or under any enactment referred to in paragraph (ii) above.

## **ARTICLE 2**

### **ROYALTY GRANT**

#### **2.1 Grant of Royalty**

The Payor hereby grants for the benefit of the Royalty Holder, and covenants and agrees to pay to the Royalty Holder, the Royalty in respect of all Product Sold, subject to the terms of this Agreement.

#### **2.2 Duration of Royalty**

The Royalty will exist in perpetuity. The Royalty will not be terminated by reason of the suspension of operations or closure of any mine or mining operations on the Property. If a court of competent jurisdiction determines that the term or any other provision of this Agreement violates any statutory or common Law rule against perpetuities, then this Agreement shall not be terminated solely as a result of a

violation of the rule against perpetuities and the term of this Agreement shall automatically be revised and reformed as ending on the later of the following:

- (a) the 99<sup>th</sup> anniversary hereof; and
- (b) the death of the last living heir of King Charles III.

### **2.3 Interest in the Property**

The Parties intend that the Royalty, to the maximum extent permissible under applicable Law, constitutes an interest in the Property and intend that:

- (a) the Royalty creates and constitutes the grant of a vested present interest in, and a covenant that runs with and binds the land, including the Property, and any Transfer of the Property or any Encumbrance in the Property will be subject to the Royalty and, without limiting the generality of the foregoing, the Royalty Holder will have all of the rights and incidents of ownership of a non-participating royalty owner, which incidents include: (i) the ownership of the Royalty; (ii) the right to receive the Royalty payments; (iii) the obligation of the Payor, and its successors and assigns, to make the Royalty payments; and (iv) the right to enter and inspect the Property in accordance with the terms of this Agreement;
- (b) any sale or other disposition by the Payor of any interest in the Property will be effective only in accordance with Section 8.2;
- (c) the Royalty Holder's entitlement to any payments or credits due on account of the Royalty will arise at the time of the Sale, Loss or other disposition of Product, and the Royalty Holder's interest in all such payments or credits payable in respect of such Product will be held by the Payor in trust for the benefit of the Royalty Holder until paid or credited to the Royalty Holder in accordance with the provisions of this Agreement;
- (d) the Payor will, upon request by the Royalty Holder, sign and deliver to the Royalty Holder, and the Royalty Holder may register or otherwise record (or require the Payor to register or otherwise record) against the Property, this Agreement, a notice of this Agreement, a security agreement or any other similar document or documents as the Royalty Holder may reasonably request that will have the effect of giving notice of the existence of the Royalty to third Persons, encumbering and granting a security interest in the Property with respect to the Royalty and the obligations under this Agreement and protecting the Royalty Holder's right to receive the Royalty. The Payor hereby consents to such registering or recording and agrees to co-operate with the Royalty Holder to accomplish the same;
- (e) if any renewal, extension, modification, substitution, amalgamation, succession, conversion, renaming or variation of any mineral right is granted as contemplated in the definition of Property, the Payor agrees to execute and deliver such document or documents as the Royalty Holder may reasonably request to acknowledge that the Royalty is applicable to the same including any registration or recording document of any nature whatsoever, inclusive of those contemplated in Section 2.3(d); and
- (f) in the event that a court of competent jurisdiction makes a determination that the Royalty or any part thereof does not constitute an interest in land in respect of any portion of the Property, the Parties agree that the Royalty will continue as an interest in land in all of the

other Property, and/or any renewal, extension, modification, substitution, amalgamation, succession, conversion, renaming or variation thereof.

## **2.4 Buyback**

Provided that the Payor is not in default of any of its Royalty payment obligations under this Agreement, upon commencement of Commercial Production, the Payor will have the exclusive and irrevocable one-time right and option, for a period of five (5) years, at the Payor's sole discretion, to repurchase fifty percent (50%) of the Royalty (thereby reducing the Royalty Percentage to 1.0%) by paying to the Royalty Holder \$1,000,000 (the "**Repurchase Payment**"). The repurchased Royalty will not include: (A) the Royalty Holder's right to receive Royalty payments in respect of the Royalty before the date the Repurchase Payment is made, and for greater certainty, the Royalty will be calculated, in all such circumstances, using the Royalty Percentage in effect before the Repurchase Payment is made, and (B) any repayment by the Royalty Holder of, or set-off by the Payor against, any Royalty payments previously received by Royalty Holder from the Payor.

## **ARTICLE 3 ROYALTY PAYMENTS AND OTHER INFORMATION**

### **3.1 Commencement**

- (a) The Royalty is granted, and the obligation to calculate and pay the Royalty will commence, as of the date hereof. Within ten (10) Business Days after the first Sale by the Payor or its Affiliates of Product, the Payor must give notice to the Royalty Holder of such Sale.
- (b) Where the Sale of Product is made on a provisional basis, the amount of the Royalty payable will be based upon the amount of Product credited to the Payor or its Affiliates by such provisional settlement, but will be adjusted to account for the amount of Product established by final settlement by the offtaker or purchaser.

### **3.2 Royalty Due Date**

Royalty payments will be due and payable Quarterly on the 15<sup>th</sup> day following the end of the Quarter in respect to which such payment is due. For purposes of clarity, where Product has been Sold prior to production (as a result of Trading Activities), the Royalty will be calculated and payable thereon in the Quarter in which such Product is produced.

### **3.3 Election to Receive Payment In Kind**

In respect of any metals contained in Product which may be credited to a metals account ("**Eligible Metals**"):

- (a) on or before November 1 of each year, the Royalty Holder may elect to receive the Royalty on Eligible Metals in kind by way of credit in metal or physical allocation to the account specified by the Royalty Holder for the upcoming year (or in the case of the year in which Commercial Production is achieved on the Property, the election must be made by the Royalty Holder within thirty (30) days of the date notice of first Sale is given pursuant to Section 3.1(a), and such election is valid commencing in respect of the Quarter starting not less than two months thereafter) ("**In-Kind Delivery**"). Notice of election to receive the Royalty in respect of Eligible Metals in kind must be made in writing by the Royalty

Holder. If no written election is made, then the Royalty must continue to be paid to the Royalty Holder as it is then being paid; and

- (b) if an election to receive the Royalty in respect of Eligible Metals as an In-Kind Delivery is made under Section 0, the Payor must credit the Royalty Holder's account with such amount of Eligible Metals equal to the Royalty Percentage of the amount of Eligible Metals, as applicable, Sold during the applicable Quarter, no later than thirty (30) days after the last day of the relevant Quarter, provided that (i) if Sale and payment for Product Sold are not made in the same Quarter, the Eligible Metals will be deemed to be Sold in the Quarter in which the later of Sale or payment for Product Sold occurs, and (ii) if a provisional settlement for a Sale occurs during one Quarter and the final settlement for such Sale occurs in a subsequent Quarter, the adjustment will be taken into account in determining the amount of Eligible Metals extracted from Product Sold in the subsequent Quarter.

### **3.4 Royalty Statements**

Royalty payments will be accompanied by a statement showing in reasonable detail for the relevant Quarter:

- (a) the quantity, type and grade of Product extracted during that Quarter;
- (b) the quantity, type and grade of Product that has been processed during that Quarter and the location of the relevant facilities;
- (c) the quantity, type and grade of all Product that has been Sold during that Quarter;
- (d) the quantity and type of Product held or unsold during that Quarter;
- (e) the Royalty for that Quarter and details of the Gross Proceeds (including where the Sale of Product is effected on any basis other than on an arm's length basis on normal commercial terms, or if Product is disposed of otherwise than by Sale (whether immediate or for future delivery) during the Quarter, details on the applicable Average Spot Price determined as provided in this Agreement and proceeds of Sale of Product) underlying the calculation of the Royalty;
- (f) the cumulative total of Royalty payments paid to the Royalty Holder under this Agreement (including the payment referenced in Section 3.4(e));
- (g) the amount of withholdings and deductions withheld in accordance with Section 3.12; and
- (h) such other information as may be reasonably requested by the Royalty Holder so as to explain the calculation of the Royalty payment.

### **3.5 Payment Form**

- (a) Royalty payments made under this Agreement will be paid in United States dollars by wire transfer or other form of immediately available funds, to such bank account as the Royalty Holder may nominate in writing to the Payor from time to time.



- (b) For the purpose of determining the Gross Proceeds, all receipts and disbursements in a currency other than United States dollars must be converted into United States dollars on the day of receipt or disbursement, as the case may be, using the Bank of Canada daily exchange rate published on the last Business Day prior to the date of receipt or disbursement.

### **3.6 Payment Audit**

Subject to Section 3.8, a Quarterly Royalty payment will be considered final (and non-contestable), unless the Royalty Holder gives written notice to the Payor within eighteen (18) months of its receipt of the applicable Quarterly Royalty statement. If the Royalty Holder gives such written notice, then the Royalty Holder will have the right, upon reasonable notice and at a reasonable time, to have the Payor's accounts and records relating to the calculation of the Royalty payment in question audited by an independent firm of chartered accountants or certified public accountants mutually selected by the Parties. If such independent firm, who will act as an expert and not as arbitrator, determines that there has been a deficiency or an excess in such Royalty payment or payments, then, save in the case of manifest error, the determination will be final and binding and such deficiency or excess will be resolved by adjusting the next Quarterly Royalty payment due.

### **3.7 Costs of Audit**

The Royalty Holder must pay all costs of any Royalty audit conducted pursuant to Section 3.6, unless a deficiency of more than 3% has been established to be owing to the Royalty Holder, in which event the Payor must pay the costs of such audit.

### **3.8 Limitation on Audit**

Failure on the part of the Royalty Holder to make claim on the Payor for adjustment within eighteen (18) months of its receipt of the applicable Quarterly Royalty statement will preclude the filing of any objection thereto or the making of any future claim for adjustment thereon (absent wilful misconduct or fraud). Notwithstanding the foregoing, if wilful misconduct or fraud is determined to exist in respect of any Royalty payment, then no time limit will preclude audits and adjustments on past Royalty payments.

### **3.9 Annual Statements**

On or before (A) the date that is 30 days after the date on which the Property achieves Commercial Production, and (B) January 31<sup>st</sup> of each year thereafter, the Payor must provide to the Royalty Holder a report containing the following information for the relevant reporting period:

- (a) the annual production forecast for any material Product from the Property for the then calendar year, as well as the next five years (on a year-by-year basis);
- (b) a description of the proposed activities at the Property for the current calendar year;
- (c) any available resource and reserve statement, including inferred resources, as calculated by external or internal technical personnel; and
- (d) confirmation that the mineral rights comprising the Property have remained unchanged since the previous year or, if there have been any changes to the mineral rights comprising the Property, an updated list of such mineral rights.

### **3.10 Other Reporting**

- (a) Except if the Payor or its ultimate parent company is a reporting issuer and such materials are filed on SEDAR+, promptly after they become available, the Payor shall promptly deliver to the Royalty Holder a copy any technical reports prepared in accordance with NI 43-101, S-K 1300 or updated mineral reserve and mineral resource estimates produced that pertain to the Property.
- (b) The Payor shall promptly deliver to the Royalty Holder a copy of the current development plan or mine plan, as applicable, for the Property and a new copy thereof promptly upon any material amendment thereto.
- (c) Except if the Payor or its ultimate parent company is a public company with continuous disclosure obligations, the Payor shall deliver to the Recipient, promptly after the Payor has knowledge or becomes aware thereof, written notice of:
  - (i) all actions, suits and proceedings before any Governmental Body or arbitrator, pending or threatened, against or directly affecting the Property, including any actions, suits, claims, notices of violation, hearings, investigations or proceedings with respect to the ownership, use, maintenance and operation of the Property, including those relating to Environmental Laws; and
  - (ii) any other condition or event which has resulted, or that could reasonably be expected to result, in a Material Adverse Effect.
- (d) The Payor shall deliver to the Recipient such other accounts, budgets, forecasts, projections, reports, or other information respecting the Property as the Royalty Holder may from time to time reasonably request

### **3.11 Books and Records**

All books and records used by the Payor to calculate the Royalty due hereunder must be kept according to Acceptable Accounting Standards. The Royalty Holder will have the right, upon reasonable notice to the Payor, no more than twice per calendar year, and subject in all cases to compliance with all applicable Laws and applicable rules and policies of the Payor then in effect at or in respect of the Property, to inspect and copy all books, records and information pertaining to the calculation and value of the Royalty; provided that, such inspections will not unreasonably interfere with the Payor's activities with respect to the Property.

### **3.12 Taxes**

- (a) Except as required by applicable Law, all payments, deliveries and Transfers of property of any kind made under this Agreement by or on behalf of the Payor to the Royalty Holder shall be made free and clear, without any present or future deduction withholding, charge or levy on account of Taxes and without setoff or counterclaim. To the extent required by applicable Law, the Payor may deduct, withhold, charge or levy any Taxes, imposed or levied on such payments, deliveries and Transfers of property by or on behalf of any Governmental Body having power and jurisdiction to tax. The Payor shall timely remit to the appropriate Governmental Body all Tax amounts deducted, withheld, charged or levied on such payments, deliveries and Transfers of property and shall provide to the Royalty Holder such evidence of the payment of such remitted Taxes as is reasonably acceptable

to the Royalty Holder. The Payor shall set out in the statement referred to in Section 3.4 any amount so withheld and remitted. With respect to any other payment that a Party may make to another Party hereunder, each Party shall be solely responsible and liable for any and all Taxes required to be paid by it in respect of any and all payments, including interest, hereunder.

- (b) The Royalty Holder shall deliver to the Payor, at the time or times reasonably requested by the Payor, such properly completed and executed documentation reasonably requested by the Payor as shall permit the Payor to determine whether payments to be made under this Agreement may be made without withholding or at a reduced rate of withholding. In addition, the Royalty Holder, if reasonably requested by the Payor, shall deliver such other documentation prescribed by applicable Law or reasonably requested by the Payor as shall enable the Payor to determine whether or not the Royalty Holder is subject to backup withholding or information reporting requirements.
- (c) The Parties agree to reasonably cooperate to (i) facilitate tax planning with respect to payments, deliveries and Transfers of property of any kind made under this Agreement by or on behalf of the Payor to the Royalty Holder, (ii) ensure that no more Taxes are payable other than as required under applicable Law and (ii) obtain a refund or credit of any Taxes which have been overpaid.

### **3.13 Interest**

Without limiting the rights of the Royalty Holder (at law, equity or otherwise) in relation to any breach of this Agreement by the Payor, if the Payor fails to pay the Royalty due under this Agreement on or before the due date for such payment, then the Payor must also pay to the Royalty Holder immediately on demand, interest on such amount due from the due date up to and including the date upon which the monies are paid at an annual rate equal to the Prime Rate plus 5%. Whenever any interest under this Agreement is calculated using a rate based on a number of days less than a full year (or based on a year of 366 days in the case of a leap year), such rate determined pursuant to such calculation, when expressed as an annual rate, is equivalent to (i) the applicable rate, (ii) multiplied by the actual number of days in the calendar year in which the period for which such interest is payable (or calculated) ends, and (iii) divided by the number of days comprising such calculation basis.

### **3.14 Sales to or Processing by Affiliates**

- (a) Subject to compliance with Section 3.14(b), the Payor will be permitted to sell any form of Product to an Affiliate of the Payor, and such sales will be deemed, for the purposes of this Agreement, to have been sold at prices and on terms no less favourable to the Payor than those that would be extended by an unaffiliated third person in an arm's length transaction under similar circumstances and Gross Proceeds will be determined based on the value of the Product as set out under Section 1.1(w) in connection with Sales to non arm's length purchasers.
- (b) The Payor will be permitted to contract with an Affiliate of the Payor or an unaffiliated third person for the smelting, refining or other processing of Product as long as such contract is on the market terms that would be available if the contract was made or formed on an arm's length basis.

### **3.15 Trading Activities of the Payor**

- (a) The Payor and any of its Affiliates will have the right to market and sell refined metals and other Product in any manner it may elect and will have the right to engage in Trading Activities which may involve the possible physical delivery of Product.
- (b) The calculation of Gross Proceeds will not be affected by, the Royalty will not apply to, and the Royalty Holder will not be entitled or required to participate in, any gain or loss of the Payor or its Affiliates in Trading Activities or in the actual marketing or sale of Product delivered pursuant to Trading Activities. In determining the Royalty payable on any Product delivered pursuant to Trading Activities, the Payor will not be entitled to deduct from Gross Proceeds any losses suffered by the Payor or its Affiliates in Trading Activities.
- (c) If the Payor or any of its Affiliates engages in Trading Activities in respect of Product, then Gross Proceeds will be determined based on the value of such Product as set out under Section 1.1(w) for Sales in connection with Trading Activities.

### **3.16 WSMD Procedures**

The Payor must ensure that weighing, sampling, moisture determination and assaying procedures are conducted in connection with all shipments of Product Sold, and that all such procedures are conducted in accordance with Good Industry Practice. The Payor must provide to the Royalty Holder the required information pursuant to Section 3.4, including, upon request from the Royalty Holder, the books and records relevant to the weighing, sampling, moisture determination and assaying of the Products subject to such Sale.

## **ARTICLE 4 OPERATIONAL MATTERS**

### **4.1 Control over Operations**

The Payor may, but will not be obligated to, treat, mill, heap leach, sort, concentrate, refine or smelt, or otherwise process, beneficiate or upgrade, the ores, concentrates and other Products derived from the Property prior to Sale. Save as specifically provided for in this Agreement or the Option Agreement:

- (a) the Payor will have sole discretion with regard to the nature, timing and extent of all exploration, development, mining and other operations conducted on or for the benefit of the Property and may suspend operations and production on the Property at any time it considers prudent or appropriate to do so; and
- (b) the Payor owes the Royalty Holder no duty to explore, develop or mine the Property, or to do so at any rate or in any manner.

Notwithstanding the foregoing, the Payor must at all times act prudently and ensure that all exploration, construction, development and mining operations and other activities conducted on or in respect of the Property are performed in a commercially reasonable manner in compliance, in all material respects, with applicable Laws and Authorizations and in accordance with Good Industry Practice and on the same basis as if the Payor retained full economic interest in the Product.

#### 4.2 Stockpiling and Tailings

- (a) All tailings, residues, waste rock, spoiled leach materials, and other similar materials (collectively “**Waste Materials**”) resulting from the Payor's operations and activities on the Property will remain subject to the Royalty should the Waste Materials be processed or reprocessed, as the case may be, in the future and result in a Sale of Product.
- (b) Notwithstanding the foregoing, the Payor will have the right to deal with Waste Materials otherwise than by way of Sale, in its sole discretion.
- (c) The Payor will be entitled to temporarily stockpile, store or place ores, concentrates or other Products derived from the Property in any locations owned, leased or otherwise controlled by the Payor on or off the Property, provided the same are appropriately identified as to ownership and origin and secured from loss, theft, tampering and contamination.

#### 4.3 Commingling

The Payor shall ensure that neither it nor its Affiliates process other ores, doré, concentrates, precipitates, or other intermediate products, metals, minerals or mineral by-products produced elsewhere (“**Other Source Product**”) through their processing plants, or commingle such Other Source Product with, Product, unless (i) the Payor and its Affiliates have, in advance of any commingling, adopted and thereafter employ reasonable practices and procedures for weighing, determining moisture content, sampling and assaying and determining recovery factors (a “**Commingling Plan**”), such Commingling Plan to ensure the division of Other Source Product and Product for the purpose of determining the quantum of Product; (ii) the Royalty Holder has an opportunity to review and comment on the Commingling Plan, (iii) the Royalty Holder shall not be disadvantaged as a result of the processing of Other Source Product in priority to, or concurrently with, Product; and (iv) the Payor and its Affiliates keep all books, records, data, information and samples required by the Commingling Plan.

### ARTICLE 5 PROPERTY MATTERS

#### 5.1 Obligation to Maintain

The Payor agrees to maintain the Property in good standing, including in relation to the payment of Taxes owing in respect thereof, the performance of required assessment work thereon, the payment of all claim, permit and license maintenance fees in respect thereof, the payment of all rents and other payments in respect of leased properties forming a part thereof or otherwise payable under any purchase, option or similar agreements relating thereto and otherwise the maintenance of the Property in accordance with applicable Laws.

#### 5.2 Abandonment

- (a) If the Payor intends to relinquish, surrender, abandon or allow to lapse any part or all of the Property (each, an “**Abandonment Property**”), then the Payor must give notice of such intention to the Royalty Holder at least thirty (30) Business Days in advance of the proposed date of relinquishment, surrender, abandonment or lapse (each, an “**Abandonment Date**”), together with details of the Abandonment Date and details of any encumbrance on the Abandonment Property.

- (b) The Royalty Holder will have a period of twenty (20) Business Days from receipt of the notice given pursuant to Section 5.2(a) to elect by written notice to the Payor purchase the Abandonment Property on an “as is” basis for total consideration equal to \$10.00. If the Royalty Holder elects to so purchase the Abandonment Property, then the Payor must thereafter do all acts and things to Transfer the Abandonment Property to the Royalty Holder (or a nominee Affiliate of the Royalty Holder) and to have the Abandonment Property recorded or registered in the name of the Royalty Holder or a nominee Affiliate of the Royalty Holder, as applicable. The Payor must use its commercially reasonable efforts to obtain all approvals and consents required by any third person or Governmental Body to effect such Transfer and assign all existing Authorizations related to the Abandonment Property. All costs and expenses charged by any third person or Governmental Body to, and paid by, the Payor in connection with the Transfer of the Abandonment Property under this Section 5.2(b) will, upon submission to the Royalty Holder of invoices and other documents which record or are evidence of payment by the Payor of such costs and expenses, be reimbursed (without mark up or margin) by the Royalty Holder to the Payor.
- (c) If the Royalty Holder does not give written notice to the Payor electing to purchase the Abandonment Property within the period of twenty (20) Business Days referred to in Section 5.2(b), then the Payor may relinquish, surrender, abandon or allow to lapse the Abandonment Property on the Abandonment Date and will thereafter have no further obligation to maintain the title to the Abandonment Property.
- (d) The Payor must not relinquish, surrender, abandon or allow to lapse or expire the Property or any part of the Property for the purpose of permitting any third person to acquire such Property or to otherwise avoid payment of the Royalty.
- (e) For greater certainty, if, for any reason, the Property or any part of the Property which is proposed to be relinquished, surrendered, abandoned or allowed to lapse by the Payor, is not relinquished, surrendered, abandoned, allowed to lapse or assigned to the Royalty Holder in accordance with this Section 5.2, then:
  - (i) the Royalty will continue to be payable in respect of Product produced or otherwise recovered from such Property; and
  - (ii) the Payor will not proceed with any relinquishment, surrender, abandonment or lapse of such Property without again complying with the provisions of this Section 5.2.

### **5.3 Reacquisition of Property**

If the Payor or any Affiliate of the Payor relinquishes, surrenders, abandons, allows to lapse or expire, or otherwise terminates its interest in the Property or any part of the Property and reacquires a mineral right or a direct or indirect interest in mineral rights in respect of the land covered by the former Property, then the Royalty will apply to such mineral right or interest so reacquired and such right or interest will thereafter become part of the Property. The Payor must give written notice to the Royalty Holder within fifteen (15) Business Days of any reacquisition of such mineral right or interest, as applicable, and on demand of the Royalty Holder, execute and deliver such document or documents as the Royalty Holder may reasonably request to acknowledge that the Royalty is applicable to the same including any registration or recording document of any nature whatsoever, inclusive of those contemplated in Section 2.3(d).

#### **5.4 Title Opinions**

If the Payor or any of its Affiliates prepares, or causes to be prepared, any title opinion or report in respect of all or any portion of the Property, the Payor shall promptly deliver a copy of such opinion or report to the Royalty Holder.

#### **5.5 Right of Royalty Holder to Cure Defects**

The Royalty Holder may undertake such investigation of the title and status of the Property as it shall deem necessary. If such investigation should reveal defects in the title or status of the Property, upon written request by the Royalty Holder, the Payor shall take such commercially reasonable actions as may be required to cure such title defects. If the Payor fails to perform its obligations under the preceding sentence: (i) the Royalty Holder may proceed to cure such title defects; (ii) any reasonable costs and expenses incurred (including attorney's fees and costs) by the Royalty Holder shall be promptly reimbursed by the Payor.

#### **5.6 Insurance Matters**

- (a) The Payor must ensure that each shipment of Product is adequately insured in such amounts and with such coverage as is customary in the mining industry, until the time that risk of loss and damage for such Product is transferred pursuant to a Sale.
- (b) All insurances must be with reputable independent insurance companies or underwriters.
- (c) The Payor shall promptly provide the Royalty Holder with written notice of any material loss or damage suffered to any Product and whether the Payor or any of its Affiliates plans to make any insurance claim.

### **ARTICLE 6 TECHNICAL REPORTS AND INSPECTIONS**

#### **6.1 Compliance with NI 43-101 and S-K 1300**

The Parties acknowledge that the Royalty Holder or its Affiliates are or may become subject to NI 43-101 and/or S-K 1300. Upon written request by the Royalty Holder or an Affiliate of the Royalty Holder, in each case acting reasonably, the Payor must:

- (a) provide to the Royalty Holder, at the Royalty Holder's expense, any and all necessary technical data (including in respect of mineral resources and reserves), documents or reports on the Property as are in the Payor's or its Affiliates' possession or which are readily available to the Payor or its Affiliates and which are reasonably required by the Royalty Holder or its Affiliates to comply with the requirements of NI 43-101 or S-K 1300;
- (b) grant access to the Property to the Royalty Holder, its Affiliates or any representative of the Royalty Holder or its Affiliates for personal inspection of the Property, to comply with the requirements of NI 43-101 or S-K 1300 (without the requiring the Royalty Holder to rely on an exemption from a site visit that may be available under NI 43-101 or S-K 1300);
- (c) use commercially reasonable efforts to include in any technical report prepared by or for the Payor or its Affiliates in accordance with NI 43-101 and/or S-K 1300, any scientific

and technical information which is reasonably required by the Royalty Holder or its Affiliates to comply with the requirements of NI 43-101 or S-K 1300; and

- (d) a use commercially reasonable efforts to allow any report prepared by or for the Payor or its Affiliates in accordance with NI 43-101 or S-K 1300 to be used by the Royalty Holder or its Affiliates in any technical report prepared for the Royalty Holder or its Affiliates, on condition that each “qualified person” (as such term is defined in NI 43-101 or S-K 1300) engaged by the Royalty Holder to prepare such technical report is also an author of the report prepared by or for the Payor or its Affiliates.

## **6.2 Inspections**

The Royalty Holder or its Affiliates will be entitled to enter the mine workings and structures on the Property, no more than twice per calendar year (or more frequently if the Payor is in breach of payment of a Royalty payment and such breach is continuing), at reasonable times and upon reasonable advance notice, at the Royalty Holder’s or its Affiliates’ own risk, for inspection thereof in reasonable furtherance of the business of the Royalty Holder or to enable the Royalty Holder to monitor compliance by the Payor with the terms of this Agreement, and subject in all cases to compliance with all applicable Laws and rules and policies that the Payor applies to its own representatives and invitees with respect to the Property and provided that such inspections do not unreasonably interfere with the Payor’s activities with respect to the Property.

## **ARTICLE 7 INDEMNITY**

### **7.1 Indemnity**

The Payor agrees to indemnify and keep indemnified the Royalty Holder, its Affiliates, and their respective Personnel and their successors and assigns (each an “**Indemnified Party**”) for, from and against any Claim that may be made or brought against an Indemnified Party and which an Indemnified Party may sustain, pay or incur that arise out of said Claim for:

- (a) any breach or inaccuracy of any representation or warranty of the Payor contained in this Agreement or given in respect of this Agreement, as the case may be, or in any document, instrument or agreement delivered pursuant hereto or thereto;
- (b) any breach, including breach due to non-performance, by the Payor of any covenant or agreement to be performed by the Payor contained in this Agreement or in any document, instrument or agreement delivered pursuant hereto or thereto;
- (c) development or operations conducted by the Payor or its Affiliates on or in respect of the Property including the mining, handling, transportation, smelting or refining of Product;
- (d) any withdrawal by any Governmental Body of any Authorization under Environmental Laws which is necessary for the construction or operation of a mine by the Payor or its Affiliates on the Property arising as a result of the Payor’s failure to comply with terms of such Authorization; or
- (e) any breach or non-compliance by the Payor or its Affiliates with applicable Law, including Environmental Law.



## **7.2 Limitation**

The indemnity provided in Section 7.1 is limited to Claims that may be made or taken against an Indemnified Party its capacity as or related to the Royalty Holder as a holder of the Royalty and will not include any indemnity in respect of any Claims against an Indemnified Party in any other capacity.

## **ARTICLE 8 ASSIGNMENT**

### **8.1 Transfer by the Royalty Holder**

- (a) The Royalty Holder may at any time Transfer all or any part of the Royalty without the consent of the Payor; provided that, no such Transfer shall be effective unless: (i) the Royalty Holder delivers to the Payor a certified copy of the instrument evidencing the Transfer of the Royalty; and (ii) the transferee has executed and delivered to the Payor an instrument pursuant to which the transferee agrees to be bound by the terms of this Agreement to the extent of such Transferred interest, including the terms of this Section 8.1, and by all of the liabilities and obligations of the Royalty Holder in the same manner and to the same extent as though the transferee was an original Party hereto.
- (b) The Royalty Holder may at any time Encumber all or any part of the Royalty without the consent of the Payor; provided that, no such Encumbrance shall be effective unless: (i) the Royalty Holder delivers to the Payor a certified copy of the instrument evidencing the Encumbrance of the Royalty; and (ii) the grantee has executed and delivered to the Payor an instrument pursuant to which the grantee agrees to be bound by the terms of this Agreement to the extent of such Encumbered interest, including the terms of this Section 8.1, and by all of the liabilities and obligations of the Royalty Holder in the same manner and to the same extent as though the grantee was an original Party hereto if such grantee takes possession of or forecloses on all or any part of the Royalty, as applicable.
- (c) No change in the ownership of the Royalty, however accomplished, shall enlarge the obligations or diminish the rights of the Payor. The Royalty Holder covenants and agrees that any change in ownership of the Royalty shall be accomplished in such a manner that the Payor and its Affiliates shall be required to make payments and give notice to no more than one Person (unless otherwise consented to in writing by the Payor).

### **8.2 Transfer or Encumbrance by Payor**

The Payor will only be entitled to Transfer or Encumber all or any part of the Property where:

- (a) any transferee in connection with a Transfer of all or any part of the Property agrees with the Payor and the Royalty Holder, by way of novation agreement, to assume in all respects the obligations of the Payor hereunder and to be bound by the terms of this Agreement, including payment of the Royalty Payments and the terms of this Section 8.2; and
- (b) any grantee where the Payor Encumbers all or any part of the Property agrees in writing:
  - (i) to acknowledge the existence of the Royalty and the intention between the Parties that the Royalty constitutes an interest in and covenant running with the land;

- (ii) not to challenge the validity, enforceability of, or compliance with, the Royalty or this Agreement;
- (iii) to be bound by and subject to the terms of this Agreement if such grantee takes possession of or forecloses on all or part of the Property; and
- (iv) to obtain an agreement in writing in favour of the Royalty Holder from any subsequent purchaser, lessee, assignee or transferee of the Property or the Encumbrance on the Property that such subsequent purchaser, lessee, assignee or transferee will be bound by the terms of this Agreement including this Section 8.2.

Unless otherwise agreed by the Parties, no such Encumbering of the Property will relieve the Payor of its obligation to pay the Royalty hereunder (unless, for greater certainty, the grantee takes possession of or forecloses on all or the applicable part of the Property). Any Transfer made in violation of this Section 8.2 shall be null and void and of no force or effect whatsoever.

## **ARTICLE 9 CONFIDENTIALITY**

### **9.1 Confidentiality**

- (a) Subject to Section 9.1(b), each Party covenants with the other Party that it will keep confidential the terms of this Agreement and all information (whether in tangible, electronic or other form) provided or disclosed to by the other Party by reason of the operation of this Agreement, including any information regarding a Party's Affiliates ("**Confidential Information**").
- (b) Each Party undertakes that neither it, its Affiliates nor their respective Personnel will, without the prior written consent of the other Party, disclose any Confidential Information to any third Person unless:
  - (i) the disclosure is expressly permitted by this Agreement;
  - (ii) subject to Section 9.1(c), the disclosure consists of information required to be disclosed under applicable Laws relating to disclosure by such Party;
  - (iii) the information is already in the public domain (unless it entered the public domain because of a breach of this Section 9.1 by the Party);
  - (iv) the disclosure is made on a confidential basis to the Party's officers, employees, agents, financiers, professional advisers or potential transferees of the Royalty and/or Property, and is necessary for the Party's business or any potential transaction that such Party wishes to negotiate or complete, provided that in all such cases such Party will be liable to the other Party for any breach of the confidentiality obligations set out herein by any such Person;
  - (v) the disclosure is necessary to comply with any applicable Law, or an order of a court or tribunal;
  - (vi) subject to Section 9.1(c), the disclosure is necessary for a Party or its Affiliates to comply with a directive or request of any Governmental Body, securities regulator

or stock exchange (whether or not having the force of law) so long as a responsible Person in a similar position would comply;

- (vii) subject to Section 9.1(c), the disclosure is necessary or desirable to obtain an Authorization from any Governmental Body, securities regulator or stock exchange;
  - (viii) the disclosure is necessary in relation to any discovery of documents, or any proceedings before an arbitrator, court, tribunal, other Governmental Body, securities regulator or stock exchange; or
  - (ix) the disclosure is made on a confidential basis to a prospective assignee, purchaser, acquiror or financier of the Party, or to any other person who proposes to enter into contractual relations with the Party and agrees to keep the disclosure confidential in accordance with this Section 9.1.
- (c) Before disclosing any Confidential Information publicly in accordance with Section 9.1(b)(ii) or to a Governmental Body or securities regulator in accordance with Sections 9.1(b)(vi) or 9.1(b)(vii), the disclosing Party must, to the extent permitted by applicable Law, provide the other Party with a draft of the proposed disclosure for its consideration and comment. The other Party will provide any comments promptly.

## **ARTICLE 10 MISCELLANEOUS**

### **10.1 Press Releases**

A Party desiring to make a disclosure, statement or press release concerning this Agreement or information received pursuant to this Agreement must first consult with the other Party prior to making such disclosure, statement or press release; provided that, nothing in this Section 10.1 shall prevent a Party that is a reporting issuer (as defined in applicable securities Laws) from complying with the continuous disclosure requirements of any stock exchange requirements or applicable securities Laws.

### **10.2 Whole Agreement**

This Agreement and the Option Agreement constitute the entire agreement concerning the granting of the Royalty and the payment of the Royalty Payments by the Payor to the Royalty Holder, and replaces any prior agreements between the Parties with respect thereto.

### **10.3 Amendment**

This Agreement may be amended, modified or supplemented only by a written agreement signed by all Parties.

### **10.4 Notice**

Any notice, demand, consent or other communication ("**Notice**") given or made under this Agreement:

- (a) must be in writing and signed by a person duly authorised by the sender;

- (b) must be delivered to the intended recipient by hand or email to the address or email address last notified by the intended recipient to the sender:

To Payor:

LION ROCK RESOURCES INC.  
200 Burrard Street, Suite 1615  
Vancouver, BC V6C 3L6, Canada

Attention: Dale Ginn, President & CEO  
Email:  
Phone:

To Royalty Holder:

TINTON PARTNERS AND THE TINTON LAND, LLC  
S6066 County Rd. T  
Viroqua, WI 54665-6604, United States

Attention: John Beatty, III, Partner  
Email:  
Phone:

- (c) will be deemed to be duly given or made:
- (i) in the case of delivery in person, when delivered; and
  - (ii) in the case of email, on the day it is received by the recipient (provided that the sender does not receive any “out of office” or other automatic “bounce-back” message from the recipient);

but if the result is that a Notice would be deemed to be given or made on a day which is not a Business Day or is sent or delivered later than 4:00 pm in the time zone where such Notice is to be received it will be deemed to have been duly given or made at the commencement of business on the next Business Day.

## 10.5 Dispute

Any dispute which should arise between the Parties related to this Agreement will be subject to the following rules:

- (a) in the event that any dispute, controversy or claim in relation to this Agreement, including the interpretation, performance or breach of this Agreement or any matter arising under this Agreement, including whether any matter is subject to arbitration or this Section 10.5 (a “**Dispute**”), a Party may deliver notice to the other Party specifying any particulars related to the Dispute (hereinafter, the “**Dispute Notice**”);
- (b) if the Dispute is not resolved within a period of 30 Business Days following delivery of the Dispute Notice, such Dispute will be referred to arbitration, in accordance with the then current Rules of Arbitration of the ICC (“**ICC Rules**”). The place of arbitration will be

South Dakota. The Parties shall agree upon a single arbitrator or, to the extent the Parties cannot agree, a single arbitrator will be selected in accordance with the ICC Rules; and

- (c) the arbitration award will be final and binding for the Parties.

Notwithstanding the foregoing, either Party may apply to a court of competent jurisdiction for an interim measure of protection, or for any order for equitable relief explicitly provided for in this Agreement which the arbitrator does not have the jurisdiction to grant.

To the extent permitted by the nature of the Dispute, during the existence of any Dispute the Parties must continue to perform their respective obligations under this Agreement without prejudice to their position in respect of such Dispute, unless the Parties otherwise agree.

#### **10.6 Replacement Product Prices**

If the Average Spot Price applicable to a particular Quoted Metal ceases to be quoted as set out in the definition of “Average Spot Price”, or should it no longer be internationally recognized as the basis for payment for the applicable Quoted Metal, then upon request by either Party, the Parties must promptly consult together in good faith with the view to agreeing on whatever modifications to the definition of Average Spot Price are necessary to make this Agreement again acceptable to both Parties and must do their utmost to come to a fair and reasonable agreement based upon another internationally recognized metal price quotation for use in international trade. If the Parties cannot agree on acceptable modifications to the definition to Average Spot Price, then such matter will be referred to an Independent Expert for final determination.

#### **10.7 Appointment and Authorization of the Royalty Holder Representative**

- (a) Tinton Partners and Tinton Land each appoint and authorize Tinton Partners and as their agent and representative (the “**Royalty Holder Representative**”) to take such action as agent and representative on their behalf and to exercise such powers under this Agreement which require any form of approval, notice or consent of the Roylty Holder, together with all such powers as are reasonably incidental thereto.
- (b) The Payor shall be entitled to deal exclusively with the Royalty Holder Representative on behalf of Tinton Partners and Tinton Land with respect to all matters relating to this Agreement and shall be entitled to rely conclusively on any document executed on behalf of Tinton Partners or Tinton Land by the Royalty Holder Representative, and on any other action taken on behalf of Tinton Partners or Tinton Land by the Royalty Holder Representative, as fully binding upon each of Tinton Partners and Tinton Land.

#### **10.8 Further Assurances**

Each Party must, at the request of the other Party and at the requesting Party's expense, execute all such documents and take all such actions as may be reasonably required to effect the purposes and intent of this Agreement.

#### **10.9 No Partnership**

This Agreement is not intended to, and will be deemed not to, create any partnership between the Parties including a mining partnership or commercial partnership. Other than as expressly stated herein in respect of the Payor and the Parent, the obligations and liabilities of the Parties will be several and not joint,

and neither Party will have or purport to have any authority to act for or to assume any obligations or responsibility on behalf of the other Party. Nothing in this Agreement will be deemed to constitute a Party the partner, agent or legal representative of the other Party.

#### **10.10 Successors and Assigns**

This Agreement will enure to the benefit of and be binding on the Parties and their respective successors and permitted assigns.

#### **10.11 No Waivers**

No waiver of or with respect to any term or condition of this Agreement will be effective unless it is in writing and signed by the waiving Party, and then such waiver will be effective only in the specific instance and for the purpose of which given. No course of dealing among the Parties, nor any failure to exercise, nor any delay in exercising, any right, power or privilege hereunder will operate as a waiver thereof, nor will any single or partial exercise of any specific waiver of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

#### **10.12 Counterparts**

This Agreement may be executed in one or more counterparts, and by the Parties in separate counterparts, each of which when executed will be deemed to be an original, but all of which taken together will constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by electronic transmission will be effective as delivery of a manually executed counterpart of this Agreement.

*[Signature page to follow]*

EXECUTED as of the date first written above.

**LION ROCK RESOURCES INC.**

By: \_\_\_\_\_  
Name:  
Title:

**TINTON PARTNERS, BY ITS MANAGING AGENT**

By: \_\_\_\_\_  
Name:  
Title:

**THE TINTON LAND, LLC**

By: \_\_\_\_\_  
Name:  
Title:

## EXHIBIT I

### The Property

#### Part 1 – Phase One Properties

- 40 mineral claims

Name	US Mineral Survey Number	Area (Acre)	Surface Rights	Mineral Rights	Section	Township	Range	Meridian	County	State
Giant	444	9.2	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Poorman	503	10.2	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Blacker	1181	10.3	x	x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Mace	1182	10.3	x	x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Union	1776	8.0	x	x	18 19	5 North	1 East	Black Hills	Lawrence	South Dakota
Yeddo	1776	10.9	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Yeddo No. 1	1776	8.6	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Bath	1776	10.1	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Bath No. 1	1776	4.4	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Hamburg	1777	9.5	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Gosford	1877	7.3	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota



Name	US Mineral Survey Number	Area (Acre)	Surface Rights	Mineral Rights	Section	Township	Range	Meridian	County	State
Volney	1877	7.9	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Maude S	1877	9.3	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Maude E. Fraction	1877	9.0	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Hub	1877	7.1	x	x	19 30	5 North	1 East	Black Hills	Lawrence	South Dakota
Rough & Ready	1877	7.8	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Porphry	1877	9.7	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Sylva	1877	11.7	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Tempest	1877	14.0	x	x	19 (partially in WY)	5 North	1 East	Black Hills	Lawrence	South Dakota
Allie Fraction	1877	5.0	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
August Fraction	1877	9.8	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Baltimore	1877	4.5	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Daisy	1877	12.4	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Detroit	1877	9.9	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Lander	1877	9.0	x	x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Princeton	1877	10.3	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota

Name	US Mineral Survey Number	Area (Acre)	Surface Rights	Mineral Rights	Section	Township	Range	Meridian	County	State
Washington	1877	10.9	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Daisy No. 1	1877	1.4	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Hudson	1877	8.4	x	x	19 30	5 North	1 East	Black Hills	Lawrence	South Dakota
Metal	1877	10.0	x	x	19 30	5 North	1 East	Black Hills	Lawrence	South Dakota
Yulee	1877	5.4	x	x	19 30	5 North	1 East	Black Hills	Lawrence	South Dakota
Lander No. 1	1877	2.1	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Giant Fraction	1877	5.0	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Government Lot 3			x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Government Lot 10			x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Washtenaw	282	19.100	x	x	28	51 North	60 West	6th Principal	Crook	Wyoming
Frankfort	282	19.080	x	x	28	51 North	60 West	6th Principal	Crook	Wyoming
Tallaho	282	17.910	x	x	28	51 North	60 West	6th Principal	Crook	Wyoming
Napoleon	75	10.020	x	x	28	51 North	60 West	6th Principal	Crook	Wyoming

Name	US Mineral Survey Number	Area (Acre)	Surface Rights	Mineral Rights	Section	Township	Range	Meridian	County	State
Mountain Side	282	5.500	x	x	28	51 North	60 West	6th Principal	Crook	Wyoming

## **Part 2 – Carve-Out Property Mineral Rights and Phase Two Properties**

### **Carve-Out Property Mineral Rights**

- 9 mineral claims

Name	US Mineral Survey Number	Area (Acre)	Surface Rights	Mineral Rights	Section	Township	Range	Meridian	County	State
Van	501	6.8		x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Spearfish	502	8.0		x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Grub No. 2	1180	10.3		x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Twin Pine	1282	10.1		x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Centaur	1877	14.7		x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Yosemite	1877	10.1		x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Penn	1877	15.6		x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Canto	1877	20.5		x	19 30	5 North	1 East	Black Hills	Lawrence	South Dakota

Iron	1877	13.4		x	19 30	5 North	1 East	Black Hills	Lawrence	South Dakota
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### Phase Two Properties

- 60 mineral claims

Name	US Mineral Survey Number	Area (Acre)	Surface Rights	Mineral Rights	Section	Township	Range	Meridian	County	State
US Mineral Survey Placer Claim No. 393	393	138.270		x		5 North	1 East	Black Hills	Lawrence	South Dakota
New York	457	9.880		x	18	5 North	1 East	Black Hills	Lawrence	South Dakota
Manchester	495	9.880		x	18	5 North	1 East	Black Hills	Lawrence	South Dakota
Lula	496	8.120		x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Jersey No. 1	497	10.250		x	30 31	5 North	1 East	Black Hills	Lawrence	South Dakota
Jersey No. 2	498	10.230		x	30 31	5 North	1 East	Black Hills	Lawrence	South Dakota
Modoc Chief	499	9.550		x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Crow Dog	500	5.600		x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Diamond	586	10.330		x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Alice	587	10.330		x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Big Blowout	588	10.330		x	18	5 North	1 East	Black Hills	Lawrence	South Dakota

Name	US Mineral Survey Number	Area (Acre)	Surface Rights	Mineral Rights	Section	Township	Range	Meridian	County	State
New Orleans	589	10.330		x	18	5 North	1 East	Black Hills	Lawrence	South Dakota
Dalcoath	602	9.500		x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Wanita	603	10.120		x	18 19	5 North	1 East	Black Hills	Lawrence	South Dakota
Pullman	604	9.530		x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Jackson Fraction	1179			x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Aurora Fraction	1179			x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Surprise	1179			x	18 19	5 North	1 East	Black Hills	Lawrence	South Dakota
Webfoot	1179			x	18	5 North	1 East	Black Hills	Lawrence	South Dakota
Clyde	1179			x	18	5 North	1 East	Black Hills	Lawrence	South Dakota
Richmond	1180			x	19 30	5 North	1 East	Black Hills	Lawrence	South Dakota
Capleton	1180			x	19 30	5 North	1 East	Black Hills	Lawrence	South Dakota
Grub	1180			x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Mary Ann	1181	10.330		x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Yankee Nation	1183	9.963		x	19 20	5 North	1 East	Black Hills	Lawrence	South Dakota
Union Fraction	1776			x	19	5 North	1 East	Black Hills	Lawrence	South Dakota

Name	US Mineral Survey Number	Area (Acre)	Surface Rights	Mineral Rights	Section	Township	Range	Meridian	County	State
Grandview	1776			x	18 19	5 North	1 East	Black Hills	Lawrence	South Dakota
Grandview No. 1	1776			x	18 19	5 North	1 East	Black Hills	Lawrence	South Dakota
Grandview No. 2	1776			x	18 19	5 North	1 East	Black Hills	Lawrence	South Dakota
Grandview Fraction	1776			x	18 19	5 North	1 East	Black Hills	Lawrence	South Dakota
Dandy	1776			x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Dandy No. 1	1776			x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Dandy Fraction	1776			x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Crest	1778	10.207		x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Cornelia	1877			x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Salvator	1877			x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Sewee	1877			x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Mable	1877			x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Yuba	1877			x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Yocum	1877			x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Yantic	1877			x	30	5 North	1 East	Black Hills	Lawrence	South Dakota

Name	US Mineral Survey Number	Area (Acre)	Surface Rights	Mineral Rights	Section	Township	Range	Meridian	County	State
Sac	1877			x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Boston	1877			x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Swansea No. 5	1877			x	18	5 North	1 East	Black Hills	Lawrence	South Dakota
Swansea No. 3&4	1877			x	18 19	5 North	1 East	Black Hills	Lawrence	South Dakota
Swan	1877			x	18	5 North	1 East	Black Hills	Lawrence	South Dakota
Fenn	1877			x	18 19	5 North	1 East	Black Hills	Lawrence	South Dakota
Fenn No. 1	1877			x	18 19	5 North	1 East	Black Hills	Lawrence	South Dakota
Pan	1877			x	18	5 North	1 East	Black Hills	Lawrence	South Dakota
Great Eastern	1877			x	18	5 North	1 East	Black Hills	Lawrence	South Dakota
Vale	1877			x	18	5 North	1 East	Black Hills	Lawrence	South Dakota
Tintic	1877			x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Tintic No. 1	1877			x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Republic	1877			x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Lansing	1877			x	18 19 (partially in WY)	5 North	1 East	Black Hills	Lawrence	South Dakota
Alto	1877			x	19 30	5 North	1 East	Black Hills	Lawrence	South Dakota

Name	US Mineral Survey Number	Area (Acre)	Surface Rights	Mineral Rights	Section	Township	Range	Meridian	County	State
Amoy	1877			x	19 30	5 North	1 East	Black Hills	Lawrence	South Dakota
Will	1877			x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Lafayette No. 1	1877			x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Lafayette No. 2	1877			x	30 (partially in WY)	5 North	1 East	Black Hills	Lawrence	South Dakota



**SCHEDULE “E”  
FORM OF NSR ROYALTY AGREEMENT**

*(See attached)*

**NET SMELTER RETURNS  
ROYALTY AGREEMENT**

**BETWEEN  
LION ROCK RESOURCES INC  
AND  
TINTON PARTNERS  
AND  
THE TINTON LAND, LLC**

**THIS NET SMELTER RETURNS ROYALTY AGREEMENT** is dated the \_\_\_\_ day of [●], [●]

**BETWEEN:**

**LION ROCK RESOURCES INC.**<sup>1</sup>, a company existing under the laws of British Columbia and having an office at 200 Burrard Street, Suite 1615, Vancouver, BC V6C 3L6, Canada

(including its successors and permitted assigns, the "**Payor**")

**AND**

**TINTON PARTNERS**, a partnership registered under the laws of Illinois and having an office at S6066 County Rd. T, Viroqua, WI 54665-6604, United States

(“**Tinton Partners**”)

**AND**

**THE TINTON LAND, LLC**, a limited liability company existing under the laws of South Dakota and having an office at S6066 County Truck Road T, Viroqua, WI 54665 United States

(“**Tinton Land**”, together with Tinton Partners, including their successors and assigns, the "**Royalty Holder**")

**WHEREAS** pursuant to the terms of an Option Agreement dated [●], 2024 (the “**Option Agreement**”) between the Royalty Holder and the Payor, the Payor has agreed to grant to the Royalty Holder the Royalty (as defined herein) on the terms and subject to the conditions set out herein.

**NOW THEREFORE** in consideration of the mutual covenants and agreements contained in this Agreement and for other good and valuable consideration (the receipt and adequacy of which are acknowledged), the Parties (as defined herein) agree as follows:

## **ARTICLE 1 INTERPRETATION**

### **1.1 Definitions**

In this Agreement, unless otherwise provided:

- (a) “**Abandonment Date**” has the meaning given in Section 5.2(a).

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<sup>1</sup> If Lion Rock incorporates a subsidiary to hold the property, the parties agree that such subsidiary will be the Payor and Lion Rock will, as parent, provide a guarantee in respect of all of the subsidiary’s obligations hereunder.

- (b) **“Abandonment Property”** has the meaning given in Section 5.2(a) and, for certainty, includes the surrendered mineral titles acquired by the Payor, or an Affiliate of the Payor or their respective Personnel, agents or joint actors, as referred to in Section 5.2(d).
- (c) **“Acceptable Accounting Standards”** means International Financial Reporting Standards adopted by the International Accounting Standards Board from time to time.
- (d) **“Affiliate”** means, with respect to a Person, any other Person that directly or indirectly (through one or more intermediaries) Controls, is Controlled by or is under common Control with, the first-mentioned Person.
- (e) **“Agreement”** means this agreement together with its exhibits.
- (f) **“Allowable Deductions”** means the aggregate of the following costs, charges and expenses paid or incurred by the Payor and/or its Affiliates for or with respect to Product, without duplication:
  - (i) all smelting, refining and other beneficiation processes (including, but not limited to, handling, provisional settlement fees, weighing, analyzing, sampling, assaying, custom-smelting, minting, umpire and representation costs, metal deductions and losses and any penalties, including penalties for impurities contained in the Product which inhibit smelting, refining or minting, and other processor deductions) and charges for treating, refining, beneficiating, storing and handling the Product levied by the smelter, refinery or other place of treatment or beneficiation, but excluding all costs of exploration, construction, mining, crushing, milling, leaching (including preparation and distribution of leach solutions), concentrating or other similar exploration, construction, mining costs (which, for greater certainty, includes all costs up to the point at which the metal goes into solution);
  - (ii) all costs of transportation (including loading, freight, insurance, security, surveyor fees, transaction or transportation taxes, handling, port fees, demurrage, delay and forwarding expenses incurred by reason of or in the course of transportation) of Product from the Property, or from a concentrator, whether situated on or off the Property, to any smelter, refinery or other place of treatment or beneficiation and then to the place of Sale, including all costs of offsite freight and insurance, security, storage, loading and discharge and ocean freight and port charges but, for greater certainty, excluding costs incurred by trucking ore within the Property;
  - (iii) all costs or charges for or in connection with insurance, storage, or representation at a smelter or refinery for Product or refined metals;
  - (iv) all sales, use, severance, excise and net proceeds of mine taxes, ad valorem and any other taxes payable directly on, or assessed against, the value or quantity of the minerals or Product (including, for greater certainty, any mining taxes), but not including income taxes of the Payor;
  - (v) all selling and brokerage costs and fees and transportation costs, in each case incurred in selling Product; and
  - (vi) all production royalties or other fees based on mineral production that are currently or may become legally or contractually payable to any Governmental Body,

but irrespective of whether Product is processed on or off the Property in a facility wholly or partially owned by the Payor or an Affiliate of the Payor, Allowable Deductions will not include any costs that are in excess of those that would be incurred on an arm's length basis at market terms, or which would not be Allowable Deductions if that Product was processed by an independent third person.

- (g) **"Approved Standard"** means any of the Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards on Mineral Resources and Mineral Reserves, Subpart 1300 of Regulation S-K under the United States Securities Act of 1933 and the United States Securities Exchange Act of 1934, the JORC Code, the SAMREC Code, or any other classification system for the reporting of mineral reserves and mineral resources that qualifies as an "acceptable foreign code" for purposes of NI 43-101 from time to time, in each case as such classification may be in effect from time to time, or any successor instrument, rule or policy to any of the foregoing.
- (h) **"Authorization"** means any authorization, approval, consent, concession, exemption, license, lease, grant, permit, franchise, right (including surface rights, access rights, rights of way, privileges, concessions or franchises granted to or held by the Payor by, or required to be obtained from, any Person (including a Governmental Body), for the exploration of the Property or the construction, development and operation of a mine on the Property), privilege or no-action letter from any Governmental Body having jurisdiction with respect to any specified Person, property, transaction or event, or with respect to any of such Person's property or business and affairs (including any zoning approval, mining permit, development permit or building permit) or from any Person in connection with any easements, contractual rights or other matters, but in each case excludes the Property.
- (i) **"Average Gold Price"** means the average London Bullion Market Association daily afternoon (PM) per ounce Gold Price in U.S. dollars quoted by the London Bullion Market Association (currently administered by ICE Benchmark Administration) or any successor thereto, calculated by summing such quoted price reported for each day in a Quarter and dividing the sum by the number of days for which such prices were reported.
- (j) **"Business Day"** means a day that is not a Saturday, Sunday or any other day which is a statutory holiday or a bank holiday in State of South Dakota or Province of British Columbia.
- (k) **"Claim"** includes any actual claim, action, damage, loss, liability, cost, charge, expense, outgoing, payment or demand, whether at law, in equity, under statute, contract or otherwise.
- (l) **"Commercial Production"** means the operation of the Property or any portion of the Property as a producing mine and the production of Products from the Property (excluding bulk sampling, pilot plant, or test operations);
- (m) **"Commingling Plan"** has the meaning given in Section 4.3.
- (n) **"Confidential Information"** has the meaning given in Section 9.1(a).
- (o) **"Control"** or **"Controlled"** means:
  - (i) when used as a verb:

- (A) the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through the legal or beneficial ownership of either more than 50% of the securities or interests or sufficient securities or interests to elect a majority of the directors, trustees or other governing body of such person, by contract or otherwise; and
  - (B) with respect to a natural person, the actual or legal ability to control the actions of another, through family relationship, agency, contract or otherwise, and
- (ii) when used as a noun, an interest that gives the holder the ability to exercise any of the powers described in clause (i).
- (p) **“Dispute”** has the meaning given in Section 10.5(a).
- (q) **“Dispute Notice”** has the meaning given in Section 10.5(a).
- (r) **“Encumber”** means to grant a right, title or interest, including pursuant to the exercise of rights under any Encumbrance.
- (s) **“Encumbrance”** means any mortgage, deed of trust, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, security interest, priority or other security agreement, preferential arrangement or encumbrance of any kind or nature whatsoever (whether contingent or absolute or whether consensual, arising by law or otherwise, and any agreement, option or privilege and capable of becoming any of the foregoing), including any conditional sale or other title retention agreement or the interest of a lessor under a capital lease or finance obligation (or any similar arrangement) or prior claims or royalties of any nature whatsoever, whether registered or recorded or unregistered or unrecorded.
- (t) **“Environment”** includes the air, surface water, groundwater, body of water, any land, soil or underground space even if submerged under water or covered by a structure, all living organisms and the interacting natural systems that include components of air, land, water, organic and inorganic matters and living organisms and the environment or natural environment as defined in any Environmental Law and **“Environmental”** will have a similar extended meaning.
- (u) **“Environmental Laws”** means all Laws relating in whole or in part to the Environment, including those relating to the storage, generation, use, handling, manufacture, processing, transportation, import, export, treatment, release, disposal, dumping, incineration, spraying, pumping, injecting, depositing or burying of any Hazardous Substance.
- (v) **“Gold Production”** means the quantity of Refined Gold out-turned during a Quarter to the pool account of the Payor or its Affiliates by a refinery that produces Refined Gold for the Payor or its Affiliates.
- (w) **“Good Industry Practice”** means, in relation to any decision or undertaking, the exercise of that degree of diligence, skill, care, prudence, oversight, economy and stewardship which is commonly observed or would reasonably be expected to be observed by skilled and experienced mining, engineering, environmental and other professionals in the U.S.

mining industry engaged in the same type of undertaking under the same or similar circumstances.

- (x) **“Governmental Body”** means any federal, provincial, state, territorial, regional, municipal, local government or authority, quasi government authority, fiscal or judicial body, government or self-regulatory organisation, commission, board, tribunal, organisation, stock exchange or any regulatory, administrative or other agency, or any political or other subdivision, department, or branch of any of the exercising governance powers by right, title or custom.
- (y) **“Gross Proceeds”** means, with respect to any given Quarter, without duplication:
  - (i) if Product is Sold in the form of Refined Gold, then such Refined Gold will be deemed to have been Sold at the Average Gold Price for the Quarter in which the Refined Gold was produced, and the Gross Proceeds in respect of Refined Gold will be determined by multiplying Gold Production for such Quarter by the Average Gold Price for such Quarter;
  - (ii) if Product is Sold in a form other than Refined Gold, including raw ore, doré, precipitates or other intermediate products or concentrates, then the Gross Proceeds in respect of such raw ore, doré, precipitates or other intermediate products or concentrates will be equal to the amount of gross proceeds actually received by the Payor or its Affiliates or credited to the Payor’s or such Affiliate’s account during the Quarter from the sale of such raw ore, doré, precipitates or other intermediate products or concentrates; provided however, if the Sale of such raw ore, doré, precipitates or other intermediate products or concentrates occurs in connection with:
    - (A) Trading Activities;
    - (B) Sale to a non-arm’s length purchaser; or
    - (C) a counterparty to a streaming agreement,then the Gross Proceeds will be based on the value of such Product ex-headframe or mine site loading facility, in the case of ores, or ex-mill or other treatment facility, in the case of other such Product, in both cases with reference to the Average Gold Price during the applicable Quarter, without regard to the proceeds received by the Payor or its Affiliates; and
  - (iii) if there is a Loss of Product, then the Gross Proceeds will be equal to the sum of the insurance proceeds received by the Payor in respect of such Loss.

For greater certainty and notwithstanding any other provision in this Agreement, in determining quantity of metals in Product to be used in the calculation of “Gross Proceeds”, the aggregate quantity of metals in Product, as determined by full and final assays, if applicable, will be used as the basis in determining the amount of Product Sold under this Agreement, irrespective of any payability factors applied by any offtaker or other purchaser. If the Royalty Holder disagrees with the determination of value of Products by the Payor then the Royalty Holder may propose that an Independent Expert make a final determination of value of the Product. The Royalty Holder will pay all costs of the

Independent Expert unless the Parties otherwise agree or the Independent Expert determines that there has been a deficiency of 3% or more of the value of such Product in which case the Payor will pay the costs of the Independent Expert.

- (z) **“Hazardous Substance”** means any pollutant, contaminant, waste, hazardous substance, hazardous material, toxic substance, dangerous substance or dangerous good as defined, judicially interpreted or identified in any Environmental Law.
- (aa) **“ICC Rules”** has the meaning given in Section 10.5(b).
- (bb) **“In-Kind Delivery”** has the meaning given in Section 3.3(a).
- (cc) **“Indemnified Party”** has the meaning given in Section 7.1.
- (dd) **“Independent Expert”** means a person who is:
  - (i) a suitably qualified expert who has qualifications and experience appropriate to determine market prices or value of Products and where applicable shall make its determination in accordance with the objective valuation methods commonly utilized in the international mining industry and other standards generally accepted by mining professionals in the international mining industry; and
  - (ii) independent of the Parties and has no direct or indirect personal interest in the outcome of the decision he or she is requested to make and, unless otherwise agreed between the Parties, must not (and whose firm must not) have acted for any Party in any material capacity for a period of at least two (2) years preceding the date of his or her appointment.
- (ee) **“Law”** includes:
  - (i) any national, federal, provincial, territorial, state, regional, municipal, or local statute, law, by law, rule, regulation, code or ordinance;
  - (ii) any judgment, decree, writ, administrative interpretation, guideline, policy, injunction, order or the like, of any Governmental Body;
  - (iii) common law or equity; and
  - (iv) any Governmental Body standard, protocol, order, requirement, approval or consent (including conditions in respect of any standard, protocol, order, requirement, approval or consent).
- (ff) **“Loss”** means an insurable or recoverable loss of or damage to Product, whether or not occurring on or off the Property and whether the Product is in the possession of the Payor, its Affiliates or otherwise.
- (gg) **“Material Adverse Effect”** means any change, event, occurrence, condition, circumstance, effect, state of facts or development that has, or would reasonably be expected to have, individually or in the aggregate, a material and adverse effect on:



- (i) the Property or the ability of the Company to explore, construct, develop or operate a mine on the Property substantially in accordance with the mine plan in effect at the time of the occurrence of such change, event, occurrence, condition, circumstance, effect, state of fact or development, in each case other than changes in general economic or political conditions, commodity prices and the general mining industry, changes in Law, changes relate to securities markets in general, or the commencement or continuation of hostilities, war, natural disaster, pandemics or epidemics, that do not materially and adversely affect the Payor disproportionately compared to other comparable mining companies or any action taken that is required pursuant to this Agreement;
  - (ii) the ability of the Payor to perform its material obligations under this Agreement; or
  - (iii) the legality, validity, binding effect or enforceability of this Agreement, the Royalty or the rights and remedies of the Royalty Holder under this Agreement.
- (hh) **“Net Smelter Returns”** means Gross Proceeds less Allowable Deductions.
- (ii) **“NI 43-101”** means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators (or any successor instrument, rule or policy).
- (jj) **“Option Agreement”** has the meaning set out in the Recitals.
- (kk) **“Other Source Product”** has the meaning given in Section 4.3.
- (ll) **“Party”** means the Payor or the Royalty Holder and **“Parties”** means both of them.
- (mm) **“Person”** means and includes any individual, corporation, limited liability company, partnership, firm, joint venture, syndicate, association, trust, governmental agency or board or commission or authority and any other form of entity or organization.
- (nn) **“Personnel”** means, at the relevant time, in relation to a Party, any of its (or any Affiliates’) directors, officers, employees, contractors, representatives, professional advisors and agents.
- (oo) **“Prime Rate”** means Royal Bank of Canada’s prime commercial lending rate of interest on Canadian funds, as designated from time to time by the Bank’s head office in Canada.
- (pp) **“Product”** means any and all gold of every nature and kind, in whatever form or state which is mined, produced, excavated, extracted, recovered in soluble solution or otherwise recovered or produced from the Property, including any gold derived from any processing or reprocessing of any Waste Materials, and including ore and any other products resulting from the further milling, processing or other beneficiation of such materials, including concentrate or doré bars.
- (qq) **“Property”** means:
  - (i) the mineral rights located in northern Black Hills, Lawrence County, South Dakota and Crook County, Wyoming which constitute the Phase One Properties (as

defined in the Option Agreement), as such mineral rights are set out in Part 1 of Exhibit I hereto; and

- (ii) to the extent that the Payor has acquired any of the mineral rights located in northern Black Hills, Lawrence County, South Dakota which constitute the Carve-Out Property Mineral Rights or the Phase Two Properties (each as defined in the Option Agreement), such acquired mineral rights as same are set out in Part 2 of Exhibit I hereto,

in each case, together with any present or future mineral rights resulting from renewal, extension, modification, substitution, amalgamation, succession, conversion, renaming or variation of any of those mineral rights or any additional mining rights deriving from those mineral rights (whether granting or conferring the same, similar or any greater rights and whether extending over the same or a greater or lesser domain). For greater certainty, if any of the mineral rights comprising the Carve-Out Property Mineral Rights or the Phase Two Properties (each as defined in the Option Agreement) have not been acquired by the Payor as at the date hereof, but are later acquired by the Payor from the Royalty Holder, the Parties agree that any such mineral rights shall, immediately and automatically upon acquisition by the Payor, be added to the definition of "Property" hereunder and the Parties agree to amend this Agreement to include such mineral rights in Exhibit I hereto.

- (rr) **"Quarter"** and **"Quarterly"** mean the period commencing on the date that the Payor or an Affiliate or designee of the Payor first receives payment for the Sale of Product or the out-turn of refined metals by a refinery to the Payor's or its Affiliate's pool account in respect of Product and expiring on the day preceding the next occurring 1st day of January, April, July or October and thereafter each successive period of 3 calendar months.
- (ss) **"Refined Gold"** means marketable metal bearing material in the form of gold bars or coins that is refined to standards meeting or exceeding 995 parts per 1,000 fine gold, and otherwise conforming to the London Bullion Market Association specifications for gold delivery.
- (tt) **"Repurchase Payment"** has the meaning given in Section 2.4.
- (uu) **"Royalty"** means the Royalty Percentage of the Net Smelter Returns to which the Royalty Holder is entitled pursuant to the terms of this Agreement.
- (vv) **"Royalty Holder Representative"** has the meaning given in Section 10.7.
- (ww) **"Royalty Percentage"** means two percent (2.0%), subject to adjustment pursuant to Section 2.4.
- (xx) **"Sale"** or **"Sold"** means the earlier of:
  - (i) Transfer of title to Product from the Payor or its Affiliates to any buyer or other person;
  - (ii) transportation of Product off the Property that the Payor or its Affiliates elects to have credited to or held for its account by a smelter, refiner or broker which shall be a deemed Transfer of title to Product; and

- (iii) any Loss prior to any Transfer or deemed Transfer of title to Product.
- (yy) “**SEDAR+**” means the SEDAR+ website.
- (zz) “**S-K 1300**” means Subpart 1300 – *Disclosure by Registrants Engaged in Mining Operations* of Regulation S-K adopted by the Securities and Exchange Commission (or any successor instrument, rule or policy).
- (aaa) “**Taxes**” means all taxes, levies, duties, assessments and charges of any kind or nature whatsoever imposed or collected by or on behalf of any Governmental Body including corporation income taxes, capital taxes, withholding taxes, realty taxes (including utility charges which are collectible like realty taxes), net proceeds of mines tax, mining taxes and royalties, privilege taxes, excise taxes, business taxes, property transfer taxes, taxes charged on any measure of income or revenue, goods & services tax, harmonized sales tax, turnover, or value added taxes of any nature or kind and any other taxes charged on, or in respect of, the sale or transfer of goods and property of any kind, customs duties, payroll taxes, levies, stamp taxes, royalties, taxes charged on royalties received by royalty recipients, duties, and all fees, including claim fees, deductions, compulsory loans and withholdings imposed, levied, collected, withheld or assessed as at the date hereof or at any time in the future, by or on behalf of any Governmental Body of any jurisdiction whatsoever having power to tax, together with penalties, fines, additions to tax and interest thereon.
- (bbb) “**Trading Activities**” means any and all activities by which the Payor or any of its Affiliates:
  - (i) engages in any commodity futures trading, forward sale or purchase contracts (or both, as the case may be), options trading or metals trading;
  - (ii) engages in price protection transactions, arrangements and mechanisms or speculative purchases and sales of forward, futures and option contracts;
  - (iii) engages in any other hedging transactions or arrangements similar to those referred to in paragraph (i) and (ii) above; or
  - (iv) engages in any combination of the foregoing.
- (ccc) “**Transfer**” means to, directly or indirectly, sell, transfer, assign, convey or dispose.
- (ddd) “**Waste Material**” has the meaning given in Section 4.2(a).

## 1.2 Exhibits

The Exhibits attached to this Agreement are by reference incorporated into and form part of this Agreement.

## 1.3 Governing Law

- (a) Except for matters of title to the Property or its Transfer, which will be governed by the Law of its situs (if such situs is outside of the State of South Dakota), this Agreement is governed by the laws of the State of South Dakota and the federal laws of the United States

applicable therein, without regard to any conflict of Laws or choice of Laws rules or principles that would permit or require the application of the Laws of any other jurisdiction.

- (b) Subject to Section 10.5, each Party irrevocably submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in the State of South Dakota and any court that may hear appeals from any of those courts for any proceeding in connection with this Agreement.

#### **1.4 Severability**

If any provision contained in this Agreement is held to be invalid, illegal or unenforceable in any respect under the Laws of any jurisdiction, the validity, legality and enforceability of such provision will not in any way be affected or impaired thereby under the Laws of any other jurisdiction and the validity, legality and enforceability of the remaining provisions contained herein will not in any way be affected or impaired thereby.

#### **1.5 Calculation of Time**

If any time period set forth in this Agreement ends on a day of the week which is not a Business Day, then notwithstanding any other provision of this Agreement such period will be extended until the end of the next following day which is a Business Day.

#### **1.6 Headings**

The headings to the Articles and Sections of this Agreement are inserted for convenience only and will not affect the construction thereof.

#### **1.7 Other Matters of Interpretation**

In this Agreement:

- (a) the singular includes the plural and vice versa;
- (b) the masculine includes the feminine and vice versa;
- (c) references to “Article” and “Section” are to Articles and Sections of this Agreement, respectively;
- (d) all provisions requiring a Party to do or refrain from doing something will be interpreted as the agreement of that Party with respect to that matter, notwithstanding the absence of the words “covenants” or “agrees” or “promises”;
- (e) the word “including” means “including without limitation” and “include” and “includes” will be construed similarly;
- (f) all provisions requiring a Party to do something will be interpreted as including the covenant of that Party to cause that thing to be done when the Party cannot directly perform the covenant, but can indirectly cause that covenant to be performed, whether by an Affiliate under its Control or otherwise;
- (g) the words “hereto”, “herein”, “hereby”, “hereunder”, “hereof” and similar expressions when used in this Agreement refer to the whole of this Agreement and not to any particular Article, Section, subsection, Exhibit or portion thereof;

- (h) any express reference to an enactment (which includes any legislation in any jurisdiction) includes reference to:
  - (i) that enactment as amended, extended or applied by or under any other enactment before or after the date of this agreement;
  - (ii) any enactment which that enactment re-enacts (with or without modification); and
  - (iii) any subordinate legislation (including regulations) made (before or after the date of this agreement) under that enactment, as re-enacted, amended, extended or applied as described in paragraph (i) above or under any enactment referred to in paragraph (ii) above.

## **ARTICLE 2**

### **ROYALTY GRANT**

#### **2.1 Grant of Royalty**

The Payor hereby grants for the benefit of the Royalty Holder, and covenants and agrees to pay to the Royalty Holder, the Royalty in respect of all Product Sold, subject to the terms of this Agreement.

#### **2.2 Duration of Royalty**

The Royalty will exist in perpetuity. The Royalty will not be terminated by reason of the suspension of operations or closure of any mine or mining operations on the Property. If a court of competent jurisdiction determines that the term or any other provision of this Agreement violates any statutory or common Law rule against perpetuities, then this Agreement shall not be terminated solely as a result of a violation of the rule against perpetuities and the term of this Agreement shall automatically be revised and reformed as ending on the later of the following:

- (a) the 99<sup>th</sup> anniversary hereof; and
- (b) the death of the last living heir of King Charles III.

#### **2.3 Interest in the Property**

The Parties intend that the Royalty, to the maximum extent permissible under applicable Law, constitutes an interest in the Property and intend that:

- (a) the Royalty creates and constitutes the grant of a vested present interest in, and a covenant that runs with and binds the land, including the Property, and any Transfer of the Property or any Encumbrance in the Property will be subject to the Royalty and, without limiting the generality of the foregoing, the Royalty Holder will have all of the rights and incidents of ownership of a non-participating royalty owner, which incidents include: (i) the ownership of the Royalty; (ii) the right to receive the Royalty payments; (iii) the obligation of the Payor, and its successors and assigns, to make the Royalty payments; and (iv) the right to enter and inspect the Property in accordance with the terms of this Agreement;
- (b) any sale or other disposition by the Payor of any interest in the Property will be effective only in accordance with Section 8.2;

- (c) the Royalty Holder's entitlement to any payments or credits due on account of the Royalty will arise at the time of the Sale, Loss or other disposition of Product, and the Royalty Holder's interest in all such payments or credits payable in respect of such Product will be held by the Payor in trust for the benefit of the Royalty Holder until paid or credited to the Royalty Holder in accordance with the provisions of this Agreement;
- (d) the Payor will, upon request by the Royalty Holder, sign and deliver to the Royalty Holder, and the Royalty Holder may register or otherwise record (or require the Payor to register or otherwise record) against the Property, this Agreement, a notice of this Agreement, a security agreement or any other similar document or documents as the Royalty Holder may reasonably request that will have the effect of giving notice of the existence of the Royalty to third Persons, encumbering and granting a security interest in the Property with respect to the Royalty and the obligations under this Agreement and protecting the Royalty Holder's right to receive the Royalty. The Payor hereby consents to such registering or recording and agrees to co-operate with the Royalty Holder to accomplish the same;
- (e) if any renewal, extension, modification, substitution, amalgamation, succession, conversion, renaming or variation of any mineral right is granted as contemplated in the definition of Property, the Payor agrees to execute and deliver such document or documents as the Royalty Holder may reasonably request to acknowledge that the Royalty is applicable to the same including any registration or recording document of any nature whatsoever, inclusive of those contemplated in Section 2.3(d); and
- (f) in the event that a court of competent jurisdiction makes a determination that the Royalty or any part thereof does not constitute an interest in land in respect of any portion of the Property, the Parties agree that the Royalty will continue as an interest in land in all of the other Property, and/or any renewal, extension, modification, substitution, amalgamation, succession, conversion, renaming or variation thereof.

## **2.4 Buyback**

Provided that the Payor is not in default of any of its Royalty payment obligations under this Agreement, upon commencement of Commercial Production, the Payor will have the exclusive and irrevocable one-time right and option, for a period of five (5) years, at the Payor's sole discretion, to repurchase fifty percent (50%) of the Royalty (thereby reducing the Royalty Percentage to 1.0%) by paying to the Royalty Holder \$1,000,000 (the "**Repurchase Payment**"). The repurchased Royalty will not include: (A) the Royalty Holder's right to receive Royalty payments in respect of the Royalty before the date the Repurchase Payment is made, and for greater certainty, the Royalty will be calculated, in all such circumstances, using the Royalty Percentage in effect before the Repurchase Payment is made, and (B) any repayment by the Royalty Holder of, or set-off by the Payor against, any Royalty payments previously received by Royalty Holder from the Payor.

## **ARTICLE 3 ROYALTY PAYMENTS AND OTHER INFORMATION**

### **3.1 Commencement**

- (a) The Royalty is granted, and the obligation to calculate and pay the Royalty will commence, as of the date hereof. Within ten (10) Business Days after the first Sale by the Payor or its Affiliates of Product, the Payor must give notice to the Royalty Holder of such Sale.

- (b) Where the Sale of Product is made on a provisional basis, the amount of the Royalty payable will be based upon the amount of Refined Gold (or other Product) credited to the Payor or its Affiliates by such provisional settlement, but will be adjusted to account for the amount of Refined Gold (or other Product) established by final settlement by the offtaker or purchaser.

### **3.2 Royalty Due Date**

Royalty payments will be due and payable Quarterly on the 15<sup>th</sup> day following the end of the Quarter in respect to which such payment is due. For purposes of clarity, where Product has been Sold prior to production (as a result of Trading Activities), the Royalty will be calculated and payable thereon in the Quarter in which such Product is produced.

### **3.3 Election to Receive Payment In Kind**

- (a) On or before November 1 of each year, the Royalty Holder may elect to receive the Royalty on Product from the Property in kind by way of credit in metal or physical allocation to the metal account specified by the Royalty Holder for the upcoming year (or in the case of the year in which Commercial Production is achieved on the Property, the election must be made by the Royalty Holder within thirty (30) days of the date notice of first Sale is given pursuant to Section 3.1(a), and such election is valid commencing in respect of the Quarter starting not less than two months thereafter) (“**In-Kind Delivery**”). Notice of election to receive the Royalty in kind must be made in writing by the Royalty Holder. If no written election is made, then the Royalty must continue to be paid to the Royalty Holder as it is then being paid.
- (b) If an election to receive the Royalty as an In-Kind Delivery is made under Section 3.3(a), the Payor must credit the Royalty Holder’s account with such amount of metals equal to the Royalty Percentage of the amount of metals contained in Product Sold during the applicable Quarter, no later than thirty (30) days after the last day of the relevant Quarter, provided that (i) if Sale and payment for Product Sold are not made in the same Quarter, the metals will be deemed to be Sold in the Quarter in which the later of Sale or payment for Product Sold occurs, and (ii) if a provisional settlement for a Sale occurs during one Quarter and the final settlement for such Sale occurs in a subsequent Quarter, the adjustment will be taken into account in determining the amount of metals extracted from Product Sold in the subsequent Quarter.
- (c) Concurrently with an In-Kind Delivery, the Payor will provide an invoice to the Royalty Holder for the Allowable Deductions attributable to such In-Kind Delivery (which, for greater certainty, will be a percentage of the aggregate amount of Allowable Deductions incurred by the Payor during the applicable Quarter equal to the Royalty Percentage). Upon receipt of such invoice and In-Kind Delivery, the Royalty Holder must promptly reimburse the Payor for the Allowable Deductions attributable to such In-Kind Delivery. For greater certainty, the Royalty Holder will not be liable for any Allowable Deductions attributable to the Sale, Loss or other disposition of the remainder of Product in the applicable Quarter.

### **3.4 Royalty Statements**

Royalty payments will be accompanied by a statement showing in reasonable detail for the relevant Quarter:

- (a) the quantity, type and grade of Product extracted during that Quarter;
- (b) the quantity, type and grade of Product that has been processed during that Quarter and the location of the relevant facilities;
- (c) the quantity, type and grade of all Product that has been Sold during that Quarter;
- (d) the quantity and type of Product held or unsold during that Quarter;
- (e) the Royalty for that Quarter and details of the Gross Proceeds (including where the Sale of Product is effected on any basis other than on an arm's length basis on normal commercial terms, or if Product is disposed of otherwise than by Sale (whether immediate or for future delivery) during the Quarter, details on the Average Gold Price determined as provided in this Agreement for Refined Gold and proceeds of Sale of Product) and Allowable Deductions underlying the calculation of the Royalty;
- (f) the cumulative total of Royalty payments paid to the Royalty Holder under this Agreement (including the payment referenced in Section 3.4(e));
- (g) the amount of withholdings and deductions withheld in accordance with Section 3.12; and
- (h) such other information as may be reasonably requested by the Royalty Holder so as to explain the calculation of the Royalty payment.

### **3.5 Payment Form**

- (a) Royalty payments made under this Agreement will be paid in United States dollars by wire transfer or other form of immediately available funds, to such bank account as the Royalty Holder may nominate in writing to the Payor from time to time.
- (b) For the purpose of determining the Gross Proceeds, all receipts and disbursements in a currency other than United States dollars must be converted into United States dollars on the day of receipt or disbursement, as the case may be, using the Bank of Canada daily exchange rate published on the last Business Day prior to the date of receipt or disbursement.

### **3.6 Payment Audit**

Subject to Section 3.8, a Quarterly Royalty payment will be considered final (and non-contestable), unless the Royalty Holder gives written notice to the Payor within eighteen (18) months of its receipt of the applicable Quarterly Royalty statement. If the Royalty Holder gives such written notice, then the Royalty Holder will have the right, upon reasonable notice and at a reasonable time, to have the Payor's accounts and records relating to the calculation of the Royalty payment in question audited by an independent firm of chartered accountants or certified public accountants mutually selected by the Parties. If such independent firm, who will act as an expert and not as arbitrator, determines that there has been a deficiency or an excess in such Royalty payment or payments, then, save in the case of manifest error, the determination will be final and binding and such deficiency or excess will be resolved by adjusting the next Quarterly Royalty payment due.



### **3.7 Costs of Audit**

The Royalty Holder must pay all costs of any Royalty audit conducted pursuant to Section 3.6, unless a deficiency of more than 3% has been established to be owing to the Royalty Holder, in which event the Payor must pay the costs of such audit.

### **3.8 Limitation on Audit**

Failure on the part of the Royalty Holder to make claim on the Payor for adjustment within eighteen (18) months of its receipt of the applicable Quarterly Royalty statement will preclude the filing of any objection thereto or the making of any future claim for adjustment thereon (absent wilful misconduct or fraud). Notwithstanding the foregoing, if wilful misconduct or fraud is determined to exist in respect of any Royalty payment, then no time limit will preclude audits and adjustments on past Royalty payments.

### **3.9 Annual Statements**

On or before (A) the date that is 30 days after the date on which the Property achieves Commercial Production, and (B) January 31<sup>st</sup> of each year thereafter, the Payor must provide to the Royalty Holder a report containing the following information for the relevant reporting period:

- (a) the annual production forecast for any material Product from the Property for the then calendar year, as well as the next five years (on a year-by-year basis);
- (b) a description of the proposed activities at the Property for the current calendar year;
- (c) any available resource and reserve statement, including inferred resources, as calculated by external or internal technical personnel; and
- (d) confirmation that the mineral rights comprising the Property have remained unchanged since the previous year or, if there have been any changes to the mineral rights comprising the Property, an updated list of such mineral rights.

### **3.10 Other Reporting**

- (a) Except if the Payor or its ultimate parent company is a reporting issuer and such materials are filed on SEDAR+, promptly after they become available, the Payor shall promptly deliver to the Royalty Holder a copy any technical reports prepared in accordance with NI 43-101, S-K 1300 or updated mineral reserve and mineral resource estimates produced that pertain to the Property.
- (b) The Payor shall promptly deliver to the Royalty Holder a copy of the current development plan or mine plan, as applicable, for the Property and a new copy thereof promptly upon any material amendment thereto.
- (c) Except if the Payor or its ultimate parent company is a public company with continuous disclosure obligations, the Payor shall deliver to the Recipient, promptly after the Payor has knowledge or becomes aware thereof, written notice of:
  - (i) all actions, suits and proceedings before any Governmental Body or arbitrator, pending or threatened, against or directly affecting the Property, including any actions, suits, claims, notices of violation, hearings, investigations or proceedings

with respect to the ownership, use, maintenance and operation of the Property, including those relating to Environmental Laws; and

- (ii) any other condition or event which has resulted, or that could reasonably be expected to result, in a Material Adverse Effect.
- (d) The Payor shall deliver to the Recipient such other accounts, budgets, forecasts, projections, reports, or other information respecting the Property as the Royalty Holder may from time to time reasonably request

### **3.11 Books and Records**

All books and records used by the Payor to calculate the Royalty due hereunder must be kept according to Acceptable Accounting Standards. The Royalty Holder will have the right, upon reasonable notice to the Payor, no more than twice per calendar year, and subject in all cases to compliance with all applicable Laws and applicable rules and policies of the Payor then in effect at or in respect of the Property, to inspect and copy all books, records and information pertaining to the calculation and value of the Royalty; provided that, such inspections will not unreasonably interfere with the Payor's activities with respect to the Property.

### **3.12 Taxes**

- (a) Except as required by applicable Law, all payments, deliveries and Transfers of property of any kind made under this Agreement by or on behalf of the Payor to the Royalty Holder shall be made free and clear, without any present or future deduction withholding, charge or levy on account of Taxes and without setoff or counterclaim. To the extent required by applicable Law, the Payor may deduct, withhold, charge or levy any Taxes, imposed or levied on such payments, deliveries and Transfers of property by or on behalf of any Governmental Body having power and jurisdiction to tax. The Payor shall timely remit to the appropriate Governmental Body all Tax amounts deducted, withheld, charged or levied on such payments, deliveries and Transfers of property and shall provide to the Royalty Holder such evidence of the payment of such remitted Taxes as is reasonably acceptable to the Royalty Holder. The Payor shall set out in the statement referred to in Section 3.4 any amount so withheld and remitted. With respect to any other payment that a Party may make to another Party hereunder, each Party shall be solely responsible and liable for any and all Taxes required to be paid by it in respect of any and all payments, including interest, hereunder.
- (b) The Royalty Holder shall deliver to the Payor, at the time or times reasonably requested by the Payor, such properly completed and executed documentation reasonably requested by the Payor as shall permit the Payor to determine whether payments to be made under this Agreement may be made without withholding or at a reduced rate of withholding. In addition, the Royalty Holder, if reasonably requested by the Payor, shall deliver such other documentation prescribed by applicable Law or reasonably requested by the Payor as shall enable the Payor to determine whether or not the Royalty Holder is subject to backup withholding or information reporting requirements.
- (c) The Parties agree to reasonably cooperate to (i) facilitate tax planning with respect to payments, deliveries and Transfers of property of any kind made under this Agreement by or on behalf of the Payor to the Royalty Holder, (ii) ensure that no more Taxes are payable

other than as required under applicable Law and (ii) obtain a refund or credit of any Taxes which have been overpaid.

### **3.13 Interest**

Without limiting the rights of the Royalty Holder (at law, equity or otherwise) in relation to any breach of this Agreement by the Payor, if the Payor fails to pay the Royalty due under this Agreement on or before the due date for such payment, then the Payor must also pay to the Royalty Holder immediately on demand, interest on such amount due from the due date up to and including the date upon which the monies are paid at an annual rate equal to the Prime Rate plus 5%. Whenever any interest under this Agreement is calculated using a rate based on a number of days less than a full year (or based on a year of 366 days in the case of a leap year), such rate determined pursuant to such calculation, when expressed as an annual rate, is equivalent to (i) the applicable rate, (ii) multiplied by the actual number of days in the calendar year in which the period for which such interest is payable (or calculated) ends, and (iii) divided by the number of days comprising such calculation basis.

### **3.14 Sales to or Processing by Affiliates**

- (a) Subject to compliance with Section 3.14(b), the Payor will be permitted to sell any form of Product to an Affiliate of the Payor, and such sales will be deemed, for the purposes of this Agreement, to have been sold at prices and on terms no less favourable to the Payor than those that would be extended by an unaffiliated third person in an arm's length transaction under similar circumstances and Gross Proceeds will be determined based on the value of the Product as set out under Section 1.1(y) in connection with Sales to non arm's length purchasers.
- (b) The Payor will be permitted to contract with an Affiliate of the Payor or an unaffiliated third person for the smelting, refining or other processing of Product as long as such contract is on the market terms that would be available if the contract was made or formed on an arm's length basis.

### **3.15 Trading Activities of the Payor**

- (a) The Payor and any of its Affiliates will have the right to market and sell refined metals and other Product in any manner it may elect and will have the right to engage in Trading Activities which may involve the possible physical delivery of Product.
- (b) The calculation of Net Smelter Returns will not be affected by, the Royalty will not apply to, and the Royalty Holder will not be entitled or required to participate in, any gain or loss of the Payor or its Affiliates in Trading Activities or in the actual marketing or sale of Product delivered pursuant to Trading Activities. In determining the Royalty payable on any Product delivered pursuant to Trading Activities, the Payor will not be entitled to deduct from Gross Proceeds any losses suffered by the Payor or its Affiliates in Trading Activities.
- (c) If the Payor or any of its Affiliates engages in Trading Activities in respect of Product, then Gross Proceeds will be determined based on the value of such Product as set out under Section 1.1(y) for Sales in connection with Trading Activities.

### 3.16 WSMD Procedures

The Payor must ensure that weighing, sampling, moisture determination and assaying procedures are conducted in connection with all shipments of Product Sold, and that all such procedures are conducted in accordance with Good Industry Practice. The Payor must provide to the Royalty Holder the required information pursuant to Section 3.4, including, upon request from the Royalty Holder, the books and records relevant to the weighing, sampling, moisture determination and assaying of the Products subject to such Sale.

## ARTICLE 4 OPERATIONAL MATTERS

### 4.1 Control over Operations

The Payor may, but will not be obligated to, treat, mill, heap leach, sort, concentrate, refine or smelt, or otherwise process, beneficiate or upgrade, the ores, concentrates and other Products derived from the Property prior to Sale. Save as specifically provided for in this Agreement or the Option Agreement:

- (a) the Payor will have sole discretion with regard to the nature, timing and extent of all exploration, development, mining and other operations conducted on or for the benefit of the Property and may suspend operations and production on the Property at any time it considers prudent or appropriate to do so; and
- (b) the Payor owes the Royalty Holder no duty to explore, develop or mine the Property, or to do so at any rate or in any manner.

Notwithstanding the foregoing, the Payor must at all times act prudently and ensure that all exploration, construction, development and mining operations and other activities conducted on or in respect of the Property are performed in a commercially reasonable manner in compliance, in all material respects, with applicable Laws and Authorizations and in accordance with Good Industry Practice and on the same basis as if the Payor retained full economic interest in the Product.

### 4.2 Stockpiling and Tailings

- (a) All tailings, residues, waste rock, spoiled leach materials, and other similar materials (collectively "**Waste Materials**") resulting from the Payor's operations and activities on the Property will remain subject to the Royalty should the Waste Materials be processed or reprocessed, as the case may be, in the future and result in a Sale of Product.
- (b) Notwithstanding the foregoing, the Payor will have the right to deal with Waste Materials otherwise than by way of Sale, in its sole discretion.
- (c) The Payor will be entitled to temporarily stockpile, store or place ores, concentrates or other Products derived from the Property in any locations owned, leased or otherwise controlled by the Payor on or off the Property, provided the same are appropriately identified as to ownership and origin and secured from loss, theft, tampering and contamination.

### 4.3 Commingling

The Payor shall ensure that neither it nor its Affiliates process other ores, doré, concentrates, precipitates, or other intermediate products, metals, minerals or mineral by-products produced elsewhere (“**Other Source Product**”) through their processing plants, or commingle such Other Source Product with, Product, unless (i) the Payor and its Affiliates have, in advance of any commingling, adopted and thereafter employ reasonable practices and procedures for weighing, determining moisture content, sampling and assaying and determining recovery factors (a “**Commingling Plan**”), such Commingling Plan to ensure the division of Other Source Product and Product for the purpose of determining the quantum of Product; (ii) the Royalty Holder has an opportunity to review and comment on the Commingling Plan, (iii) the Royalty Holder shall not be disadvantaged as a result of the processing of Other Source Product in priority to, or concurrently with, Product; and (iv) the Payor and its Affiliates keep all books, records, data, information and samples required by the Commingling Plan.

## ARTICLE 5 PROPERTY MATTERS

### 5.1 Obligation to Maintain

The Payor agrees to maintain the Property in good standing, including in relation to the payment of Taxes owing in respect thereof, the performance of required assessment work thereon, the payment of all claim, permit and license maintenance fees in respect thereof, the payment of all rents and other payments in respect of leased properties forming a part thereof or otherwise payable under any purchase, option or similar agreements relating thereto and otherwise the maintenance of the Property in accordance with applicable Laws.

### 5.2 Abandonment

- (a) If the Payor intends to relinquish, surrender, abandon or allow to lapse any part or all of the Property (each, an “**Abandonment Property**”), then the Payor must give notice of such intention to the Royalty Holder at least thirty (30) Business Days in advance of the proposed date of relinquishment, surrender, abandonment or lapse (each, an “**Abandonment Date**”), together with details of the Abandonment Date and details of any encumbrance on the Abandonment Property.
- (b) The Royalty Holder will have a period of twenty (20) Business Days from receipt of the notice given pursuant to Section 5.2(a) to elect by written notice to the Payor purchase the Abandonment Property on an “as is” basis for total consideration equal to \$10.00. If the Royalty Holder elects to so purchase the Abandonment Property, then the Payor must thereafter do all acts and things to Transfer the Abandonment Property to the Royalty Holder (or a nominee Affiliate of the Royalty Holder) and to have the Abandonment Property recorded or registered in the name of the Royalty Holder or a nominee Affiliate of the Royalty Holder, as applicable. The Payor must use its commercially reasonable efforts to obtain all approvals and consents required by any third person or Governmental Body to effect such Transfer and assign all existing Authorizations related to the Abandonment Property. All costs and expenses charged by any third person or Governmental Body to, and paid by, the Payor in connection with the Transfer of the Abandonment Property under this Section 5.2(b) will, upon submission to the Royalty Holder of invoices and other documents which record or are evidence of payment by the Payor of such costs and expenses, be reimbursed (without mark up or margin) by the Royalty Holder to the Payor.

- (c) If the Royalty Holder does not give written notice to the Payor electing to purchase the Abandonment Property within the period of twenty (20) Business Days referred to in Section 5.2(b), then the Payor may relinquish, surrender, abandon or allow to lapse the Abandonment Property on the Abandonment Date and will thereafter have no further obligation to maintain the title to the Abandonment Property.
- (d) The Payor must not relinquish, surrender, abandon or allow to lapse or expire the Property or any part of the Property for the purpose of permitting any third person to acquire such Property or to otherwise avoid payment of the Royalty.
- (e) For greater certainty, if, for any reason, the Property or any part of the Property which is proposed to be relinquished, surrendered, abandoned or allowed to lapse by the Payor, is not relinquished, surrendered, abandoned, allowed to lapse or assigned to the Royalty Holder in accordance with this Section 5.2, then:
  - (i) the Royalty will continue to be payable in respect of Product produced or otherwise recovered from such Property; and
  - (ii) the Payor will not proceed with any relinquishment, surrender, abandonment or lapse of such Property without again complying with the provisions of this Section 5.2.

### **5.3 Reacquisition of Property**

If the Payor or any Affiliate of the Payor relinquishes, surrenders, abandons, allows to lapse or expire, or otherwise terminates its interest in the Property or any part of the Property and reacquires a mineral right or a direct or indirect interest in mineral rights in respect of the land covered by the former Property, then the Royalty will apply to such mineral right or interest so reacquired and such right or interest will thereafter become part of the Property. The Payor must give written notice to the Royalty Holder within fifteen (15) Business Days of any reacquisition of such mineral right or interest, as applicable, and on demand of the Royalty Holder, execute and deliver such document or documents as the Royalty Holder may reasonably request to acknowledge that the Royalty is applicable to the same including any registration or recording document of any nature whatsoever, inclusive of those contemplated in Section 2.3(d).

### **5.4 Title Opinions**

If the Payor or any of its Affiliates prepares, or causes to be prepared, any title opinion or report in respect of all or any portion of the Property, the Payor shall promptly deliver a copy of such opinion or report to the Royalty Holder.

### **5.5 Right of Royalty Holder to Cure Defects**

The Royalty Holder may undertake such investigation of the title and status of the Property as it shall deem necessary. If such investigation should reveal defects in the title or status of the Property, upon written request by the Royalty Holder, the Payor shall take such commercially reasonable actions as may be required to cure such title defects. If the Payor fails to perform its obligations under the preceding sentence: (i) the Royalty Holder may proceed to cure such title defects; (ii) any reasonable costs and expenses incurred (including attorney's fees and costs) by the Royalty Holder shall be promptly reimbursed by the Payor.

## **5.6 Insurance Matters**

- (a) The Payor must ensure that each shipment of Product is adequately insured in such amounts and with such coverage as is customary in the mining industry, until the time that risk of loss and damage for such Product is transferred pursuant to a Sale.
- (b) All insurances must be with reputable independent insurance companies or underwriters.
- (c) The Payor shall promptly provide the Royalty Holder with written notice of any material loss or damage suffered to any Product and whether the Payor or any of its Affiliates plans to make any insurance claim.

## **ARTICLE 6 TECHNICAL REPORTS AND INSPECTIONS**

### **6.1 Compliance with NI 43-101 and S-K 1300**

The Parties acknowledge that the Royalty Holder or its Affiliates are or may become subject to NI 43-101 and/or S-K 1300. Upon written request by the Royalty Holder or an Affiliate of the Royalty Holder, in each case acting reasonably, the Payor must:

- (a) provide to the Royalty Holder, at the Royalty Holder's expense, any and all necessary technical data (including in respect of mineral resources and reserves), documents or reports on the Property as are in the Payor's or its Affiliates' possession or which are readily available to the Payor or its Affiliates and which are reasonably required by the Royalty Holder or its Affiliates to comply with the requirements of NI 43-101 or S-K 1300;
- (b) grant access to the Property to the Royalty Holder, its Affiliates or any representative of the Royalty Holder or its Affiliates for personal inspection of the Property, to comply with the requirements of NI 43-101 or S-K 1300 (without the requiring the Royalty Holder to rely on an exemption from a site visit that may be available under NI 43-101 or S-K 1300);
- (c) use commercially reasonable efforts to include in any technical report prepared by or for the Payor or its Affiliates in accordance with NI 43-101 and/or S-K 1300, any scientific and technical information which is reasonably required by the Royalty Holder or its Affiliates to comply with the requirements of NI 43-101 or S-K 1300; and
- (d) a use commercially reasonable efforts to allow any report prepared by or for the Payor or its Affiliates in accordance with NI 43-101 or S-K 1300 to be used by the Royalty Holder or its Affiliates in any technical report prepared for the Royalty Holder or its Affiliates, on condition that each "qualified person" (as such term is defined in NI 43-101 or S-K 1300) engaged by the Royalty Holder to prepare such technical report is also an author of the report prepared by or for the Payor or its Affiliates.

### **6.2 Inspections**

The Royalty Holder or its Affiliates will be entitled to enter the mine workings and structures on the Property, no more than twice per calendar year (or more frequently if the Payor is in breach of payment of a Royalty payment and such breach is continuing), at reasonable times and upon reasonable advance notice, at the Royalty Holder's or its Affiliates' own risk, for inspection thereof in reasonable furtherance of the business of the Royalty Holder or to enable the Royalty Holder to monitor compliance by the Payor

with the terms of this Agreement, and subject in all cases to compliance with all applicable Laws and rules and policies that the Payor applies to its own representatives and invitees with respect to the Property and provided that such inspections do not unreasonably interfere with the Payor's activities with respect to the Property.

## **ARTICLE 7 INDEMNITY**

### **7.1 Indemnity**

The Payor agrees to indemnify and keep indemnified the Royalty Holder, its Affiliates, and their respective Personnel and their successors and assigns (each an "**Indemnified Party**") for, from and against any Claim that may be made or brought against an Indemnified Party and which an Indemnified Party may sustain, pay or incur that arise out of said Claim for:

- (a) any breach or inaccuracy of any representation or warranty of the Payor contained in this Agreement or given in respect of this Agreement, as the case may be, or in any document, instrument or agreement delivered pursuant hereto or thereto;
- (b) any breach, including breach due to non-performance, by the Payor of any covenant or agreement to be performed by the Payor contained in this Agreement or in any document, instrument or agreement delivered pursuant hereto or thereto;
- (c) development or operations conducted by the Payor or its Affiliates on or in respect of the Property including the mining, handling, transportation, smelting or refining of Product;
- (d) any withdrawal by any Governmental Body of any Authorization under Environmental Laws which is necessary for the construction or operation of a mine by the Payor or its Affiliates on the Property arising as a result of the Payor's failure to comply with terms of such Authorization; or
- (e) any breach or non-compliance by the Payor or its Affiliates with applicable Law, including Environmental Law.

### **7.2 Limitation**

The indemnity provided in Section 7.1 is limited to Claims that may be made or taken against an Indemnified Party its capacity as or related to the Royalty Holder as a holder of the Royalty and will not include any indemnity in respect of any Claims against an Indemnified Party in any other capacity.

## **ARTICLE 8 ASSIGNMENT**

### **8.1 Transfer by the Royalty Holder**

- (a) The Royalty Holder may at any time Transfer all or any part of the Royalty without the consent of the Payor; provided that, no such Transfer shall be effective unless: (i) the Royalty Holder delivers to the Payor a certified copy of the instrument evidencing the Transfer of the Royalty; and (ii) the transferee has executed and delivered to the Payor an instrument pursuant to which the transferee agrees to be bound by the terms of this Agreement to the extent of such Transferred interest, including the terms of this Section



8.1, and by all of the liabilities and obligations of the Royalty Holder in the same manner and to the same extent as though the transferee was an original Party hereto.

- (b) The Royalty Holder may at any time Encumber all or any part of the Royalty without the consent of the Payor; provided that, no such Encumbrance shall be effective unless: (i) the Royalty Holder delivers to the Payor a certified copy of the instrument evidencing the Encumbrance of the Royalty; and (ii) the grantee has executed and delivered to the Payor an instrument pursuant to which the grantee agrees to be bound by the terms of this Agreement to the extent of such Encumbered interest, including the terms of this Section 8.1, and by all of the liabilities and obligations of the Royalty Holder in the same manner and to the same extent as though the grantee was an original Party hereto if such grantee takes possession of or forecloses on all or any part of the Royalty, as applicable.
- (c) No change in the ownership of the Royalty, however accomplished, shall enlarge the obligations or diminish the rights of the Payor. The Royalty Holder covenants and agrees that any change in ownership of the Royalty shall be accomplished in such a manner that the Payor and its Affiliates shall be required to make payments and give notice to no more than one Person (unless otherwise consented to in writing by the Payor).

## **8.2 Transfer or Encumbrance by Payor**

The Payor will only be entitled to Transfer or Encumber all or any part of the Property where:

- (a) any transferee in connection with a Transfer of all or any part of the Property agrees with the Payor and the Royalty Holder, by way of novation agreement, to assume in all respects the obligations of the Payor hereunder and to be bound by the terms of this Agreement, including payment of the Royalty Payments and the terms of this Section 8.2; and
- (b) any grantee where the Payor Encumbers all or any part of the Property agrees in writing:
  - (i) to acknowledge the existence of the Royalty and the intention between the Parties that the Royalty constitutes an interest in and covenant running with the land;
  - (ii) not to challenge the validity, enforceability of, or compliance with, the Royalty or this Agreement;
  - (iii) to be bound by and subject to the terms of this Agreement if such grantee takes possession of or forecloses on all or part of the Property; and
  - (iv) to obtain an agreement in writing in favour of the Royalty Holder from any subsequent purchaser, lessee, assignee or transferee of the Property or the Encumbrance on the Property that such subsequent purchaser, lessee, assignee or transferee will be bound by the terms of this Agreement including this Section 8.2.

Unless otherwise agreed by the Parties, no such Encumbering of the Property will relieve the Payor of its obligation to pay the Royalty hereunder (unless, for greater certainty, the grantee takes possession of or forecloses on all or the applicable part of the Property). Any Transfer made in violation of this Section 8.2 shall be null and void and of no force or effect whatsoever.

## **ARTICLE 9 CONFIDENTIALITY**

### **9.1 Confidentiality**

- (a) Subject to Section 9.1(b), each Party covenants with the other Party that it will keep confidential the terms of this Agreement and all information (whether in tangible, electronic or other form) provided or disclosed to by the other Party by reason of the operation of this Agreement, including any information regarding a Party's Affiliates ("**Confidential Information**").
- (b) Each Party undertakes that neither it, its Affiliates nor their respective Personnel will, without the prior written consent of the other Party, disclose any Confidential Information to any third Person unless:
  - (i) the disclosure is expressly permitted by this Agreement;
  - (ii) subject to Section 9.1(c), the disclosure consists of information required to be disclosed under applicable Laws relating to disclosure by such Party;
  - (iii) the information is already in the public domain (unless it entered the public domain because of a breach of this Section 9.1 by the Party);
  - (iv) the disclosure is made on a confidential basis to the Party's officers, employees, agents, financiers, professional advisers or potential transferees of the Royalty and/or Property, and is necessary for the Party's business or any potential transaction that such Party wishes to negotiate or complete, provided that in all such cases such Party will be liable to the other Party for any breach of the confidentiality obligations set out herein by any such Person;
  - (v) the disclosure is necessary to comply with any applicable Law, or an order of a court or tribunal;
  - (vi) subject to Section 9.1(c), the disclosure is necessary for a Party or its Affiliates to comply with a directive or request of any Governmental Body, securities regulator or stock exchange (whether or not having the force of law) so long as a responsible Person in a similar position would comply;
  - (vii) subject to Section 9.1(c), the disclosure is necessary or desirable to obtain an Authorization from any Governmental Body, securities regulator or stock exchange;
  - (viii) the disclosure is necessary in relation to any discovery of documents, or any proceedings before an arbitrator, court, tribunal, other Governmental Body, securities regulator or stock exchange; or
  - (ix) the disclosure is made on a confidential basis to a prospective assignee, purchaser, acquiror or financier of the Party, or to any other person who proposes to enter into contractual relations with the Party and agrees to keep the disclosure confidential in accordance with this Section 9.1.

- (c) Before disclosing any Confidential Information publicly in accordance with Section 9.1(b)(ii) or to a Governmental Body or securities regulator in accordance with Sections 9.1(b)(vi) or 9.1(b)(vii), the disclosing Party must, to the extent permitted by applicable Law, provide the other Party with a draft of the proposed disclosure for its consideration and comment. The other Party will provide any comments promptly.

## **ARTICLE 10 MISCELLANEOUS**

### **10.1 Press Releases**

A Party desiring to make a disclosure, statement or press release concerning this Agreement or information received pursuant to this Agreement must first consult with the other Party prior to making such disclosure, statement or press release; provided that, nothing in this Section 10.1 shall prevent a Party that is a reporting issuer (as defined in applicable securities Laws) from complying with the continuous disclosure requirements of any stock exchange requirements or applicable securities Laws.

### **10.2 Whole Agreement**

This Agreement and the Option Agreement constitute the entire agreement concerning the granting of the Royalty and the payment of the Royalty Payments by the Payor to the Royalty Holder, and replaces any prior agreements between the Parties with respect thereto.

### **10.3 Amendment**

This Agreement may be amended, modified or supplemented only by a written agreement signed by all Parties.

### **10.4 Notice**

Any notice, demand, consent or other communication ("**Notice**") given or made under this Agreement:

- (a) must be in writing and signed by a person duly authorised by the sender;
- (b) must be delivered to the intended recipient by hand or email to the address or email address last notified by the intended recipient to the sender:

To Payor:

LION ROCK RESOURCES INC.  
200 Burrard Street, Suite 1615  
Vancouver, BC V6C 3L6, Canada

Attention: Dale Ginn, President & CEO  
Email:  
Phone:

To Royalty Holder:

TINTON PARTNERS AND THE TINTON LAND, LLC  
S6066 County Rd. T  
Viroqua, WI 54665-6604, United States

Attention: John Beatty, III, Partner  
Email:  
Phone:

- (c) will be deemed to be duly given or made:
  - (i) in the case of delivery in person, when delivered; and
  - (ii) in the case of email, on the day it is received by the recipient (provided that the sender does not receive any “out of office” or other automatic “bounce-back” message from the recipient);

but if the result is that a Notice would be deemed to be given or made on a day which is not a Business Day or is sent or delivered later than 4:00 pm in the time zone where such Notice is to be received it will be deemed to have been duly given or made at the commencement of business on the next Business Day.

## 10.5 Dispute

Any dispute which should arise between the Parties related to this Agreement will be subject to the following rules:

- (a) in the event that any dispute, controversy or claim in relation to this Agreement, including the interpretation, performance or breach of this Agreement or any matter arising under this Agreement, including whether any matter is subject to arbitration or this Section 10.5 (a “**Dispute**”), a Party may deliver notice to the other Party specifying any particulars related to the Dispute (hereinafter, the “**Dispute Notice**”);
- (b) if the Dispute is not resolved within a period of 30 Business Days following delivery of the Dispute Notice, such Dispute will be referred to arbitration, in accordance with the then current Rules of Arbitration of the ICC (“**ICC Rules**”). The place of arbitration will be South Dakota. The Parties shall agree upon a single arbitrator or, to the extent the Parties cannot agree, a single arbitrator will be selected in accordance with the ICC Rules; and
- (c) the arbitration award will be final and binding for the Parties.

Notwithstanding the foregoing, either Party may apply to a court of competent jurisdiction for an interim measure of protection, or for any order for equitable relief explicitly provided for in this Agreement which the arbitrator does not have the jurisdiction to grant.

To the extent permitted by the nature of the Dispute, during the existence of any Dispute the Parties must continue to perform their respective obligations under this Agreement without prejudice to their position in respect of such Dispute, unless the Parties otherwise agree.

## **10.6 Replacement Product Prices**

If the Average Gold Price ceases to be quoted by the London Bullion Market Association or any successor thereto, or should it no longer be internationally recognized as the basis for payment for Refined Gold, then upon request by either Party, the Parties must promptly consult together in good faith with the view to agreeing on whatever modifications to the definition of Average Gold Price are necessary to make this Agreement again acceptable to both Parties and must do their utmost to come to a fair and reasonable agreement based upon another internationally recognized metal price quotation for use in international trade. If the Parties cannot agree on acceptable modifications to the definition to Average Gold Price, then such matter will be referred to an Independent Expert for final determination.

## **10.7 Appointment and Authorization of the Royalty Holder Representative**

- (a) Tinton Partners and Tinton Land each appoint and authorize Tinton Partners and as their agent and representative (the “**Royalty Holder Representative**”) to take such action as agent and representative on their behalf and to exercise such powers under this Agreement which require any form of approval, notice or consent of the Roylty Holder, together with all such powers as are reasonably incidental thereto.
- (b) The Payor shall be entitled to deal exclusively with the Royalty Holder Representative on behalf of Tinton Partners and Tinton Land with respect to all matters relating to this Agreement and shall be entitled to rely conclusively on any document executed on behalf of Tinton Partners or Tinton Land by the Royalty Holder Representative, and on any other action taken on behalf of Tinton Partners or Tinton Land by the Royalty Holder Representative, as fully binding upon each of Tinton Partners and Tinton Land.

## **10.8 Further Assurances**

Each Party must, at the request of the other Party and at the requesting Party's expense, execute all such documents and take all such actions as may be reasonably required to effect the purposes and intent of this Agreement.

## **10.9 No Partnership**

This Agreement is not intended to, and will be deemed not to, create any partnership between the Parties including a mining partnership or commercial partnership. Other than as expressly stated herein in respect of the Payor and the Parent, the obligations and liabilities of the Parties will be several and not joint, and neither Party will have or purport to have any authority to act for or to assume any obligations or responsibility on behalf of the other Party. Nothing in this Agreement will be deemed to constitute a Party the partner, agent or legal representative of the other Party.

## **10.10 Successors and Assigns**

This Agreement will enure to the benefit of and be binding on the Parties and their respective successors and permitted assigns.

## **10.11 No Waivers**

No waiver of or with respect to any term or condition of this Agreement will be effective unless it is in writing and signed by the waiving Party, and then such waiver will be effective only in the specific instance and for the purpose of which given. No course of dealing among the Parties, nor any failure to

exercise, nor any delay in exercising, any right, power or privilege hereunder will operate as a waiver thereof, nor will any single or partial exercise of any specific waiver of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

#### **10.12 Counterparts**

This Agreement may be executed in one or more counterparts, and by the Parties in separate counterparts, each of which when executed will be deemed to be an original, but all of which taken together will constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by electronic transmission will be effective as delivery of a manually executed counterpart of this Agreement.

*[Signature page to follow]*

EXECUTED as of the date first written above.

**LION ROCK RESOURCES INC.**

By: \_\_\_\_\_  
Name:  
Title:

**TINTON PARTNERS, BY ITS MANAGING AGENT**

By: \_\_\_\_\_  
Name:  
Title:

**THE TINTON LAND, LLC**

By: \_\_\_\_\_  
Name:  
Title:

## EXHIBIT I

### The Property

#### Part 1 – Phase One Properties

- 40 mineral claims

Name	US Mineral Survey Number	Area (Acre)	Surface Rights	Mineral Rights	Section	Township	Range	Meridian	County	State
Giant	444	9.2	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Poorman	503	10.2	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Blacker	1181	10.3	x	x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Mace	1182	10.3	x	x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Union	1776	8.0	x	x	18 19	5 North	1 East	Black Hills	Lawrence	South Dakota
Yeddo	1776	10.9	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Yeddo No. 1	1776	8.6	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Bath	1776	10.1	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Bath No. 1	1776	4.4	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Hamburg	1777	9.5	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Gosford	1877	7.3	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Volney	1877	7.9	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota



Name	US Mineral Survey Number	Area (Acre)	Surface Rights	Mineral Rights	Section	Township	Range	Meridian	County	State
Maude S	1877	9.3	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Maude E. Fraction	1877	9.0	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Hub	1877	7.1	x	x	19 30	5 North	1 East	Black Hills	Lawrence	South Dakota
Rough & Ready	1877	7.8	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Porphry	1877	9.7	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Sylva	1877	11.7	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Tempest	1877	14.0	x	x	19 (partially in WY)	5 North	1 East	Black Hills	Lawrence	South Dakota
Allie Fraction	1877	5.0	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
August Fraction	1877	9.8	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Baltimore	1877	4.5	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Daisy	1877	12.4	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Detroit	1877	9.9	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Lander	1877	9.0	x	x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Princeton	1877	10.3	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Washington	1877	10.9	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota

Name	US Mineral Survey Number	Area (Acre)	Surface Rights	Mineral Rights	Section	Township	Range	Meridian	County	State
Daisy No. 1	1877	1.4	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Hudson	1877	8.4	x	x	19 30	5 North	1 East	Black Hills	Lawrence	South Dakota
Metal	1877	10.0	x	x	19 30	5 North	1 East	Black Hills	Lawrence	South Dakota
Yulee	1877	5.4	x	x	19 30	5 North	1 East	Black Hills	Lawrence	South Dakota
Lander No. 1	1877	2.1	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Giant Fraction	1877	5.0	x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Government Lot <b>Error! Reference source not found.</b>			x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Government Lot <b>Error! Reference source not found.</b>			x	x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Washtenaw	282	19.100	x	x	28	51 North	60 West	6th Principal	Crook	Wyoming
Frankfort	282	19.080	x	x	28	51 North	60 West	6th Principal	Crook	Wyoming
Tallaho	282	17.910	x	x	28	51 North	60 West	6th Principal	Crook	Wyoming

Name	US Mineral Survey Number	Area (Acre)	Surface Rights	Mineral Rights	Section	Township	Range	Meridian	County	State
Napoleon	75	10.020	x	x	28	51 North	60 West	6th Principal	Crook	Wyoming
Mountain Side	282	5.500	x	x	28	51 North	60 West	6th Principal	Crook	Wyoming

## **Part 2 – Carve-Out Property Mineral Rights and Phase Two Properties**

### **Carve-Out Property Mineral Rights**

- 9 mineral claims

Name	US Mineral Survey Number	Area (Acre)	Surface Rights	Mineral Rights	Section	Township	Range	Meridian	County	State
Van	501	6.8		x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Spearfish	502	8.0		x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Grub No. 2	1180	10.3		x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Twin Pine	1282	10.1		x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Centaur	1877	14.7		x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Yosemite	1877	10.1		x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Penn	1877	15.6		x	30	5 North	1 East	Black Hills	Lawrence	South Dakota

Canto	1877	20.5		x	19 30	5 North	1 East	Black Hills	Lawrence	South Dakota
Iron	1877	13.4		x	19 30	5 North	1 East	Black Hills	Lawrence	South Dakota

## Phase Two Properties

- 60 mineral claims

Name	US Mineral Survey Number	Area (Acre)	Surface Rights	Mineral Rights	Section	Township	Range	Meridian	County	State
US Mineral Survey Placer Claim No. 393	393	138.270		x		5 North	1 East	Black Hills	Lawrence	South Dakota
New York	457	9.880		x	18	5 North	1 East	Black Hills	Lawrence	South Dakota
Manchester	495	9.880		x	18	5 North	1 East	Black Hills	Lawrence	South Dakota
Lula	496	8.120		x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Jersey No. 1	497	10.250		x	30 31	5 North	1 East	Black Hills	Lawrence	South Dakota
Jersey No. 2	498	10.230		x	30 31	5 North	1 East	Black Hills	Lawrence	South Dakota
Modoc Chief	499	9.550		x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Crow Dog	500	5.600		x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Diamond	586	10.330		x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Alice	587	10.330		x	30	5 North	1 East	Black Hills	Lawrence	South Dakota

Name	US Mineral Survey Number	Area (Acre)	Surface Rights	Mineral Rights	Section	Township	Range	Meridian	County	State
Big Blowout	588	10.330		x	18	5 North	1 East	Black Hills	Lawrence	South Dakota
New Orleans	589	10.330		x	18	5 North	1 East	Black Hills	Lawrence	South Dakota
Dalcoath	602	9.500		x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Wanita	603	10.120		x	18 19	5 North	1 East	Black Hills	Lawrence	South Dakota
Pullman	604	9.530		x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Jackson Fraction	1179			x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Aurora Fraction	1179			x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Surprise	1179			x	18 19	5 North	1 East	Black Hills	Lawrence	South Dakota
Webfoot	1179			x	18	5 North	1 East	Black Hills	Lawrence	South Dakota
Clyde	1179			x	18	5 North	1 East	Black Hills	Lawrence	South Dakota
Richmond	1180			x	19 30	5 North	1 East	Black Hills	Lawrence	South Dakota
Capleton	1180			x	19 30	5 North	1 East	Black Hills	Lawrence	South Dakota
Grub	1180			x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Mary Ann	1181	10.330		x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Yankee Nation	1183	9.963		x	19 20	5 North	1 East	Black Hills	Lawrence	South Dakota

Name	US Mineral Survey Number	Area (Acre)	Surface Rights	Mineral Rights	Section	Township	Range	Meridian	County	State
Union Fraction	1776			x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Grandview	1776			x	18 19	5 North	1 East	Black Hills	Lawrence	South Dakota
Grandview No. 1	1776			x	18 19	5 North	1 East	Black Hills	Lawrence	South Dakota
Grandview No. 2	1776			x	18 19	5 North	1 East	Black Hills	Lawrence	South Dakota
Grandview Fraction	1776			x	18 19	5 North	1 East	Black Hills	Lawrence	South Dakota
Dandy	1776			x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Dandy No. 1	1776			x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Dandy Fraction	1776			x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Crest	1778	10.207		x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Cornelia	1877			x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Salvator	1877			x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Sewee	1877			x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Mable	1877			x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Yuba	1877			x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Yocum	1877			x	30	5 North	1 East	Black Hills	Lawrence	South Dakota

Name	US Mineral Survey Number	Area (Acre)	Surface Rights	Mineral Rights	Section	Township	Range	Meridian	County	State
Yantic	1877			x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Sac	1877			x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Boston	1877			x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Swansea No. 5	1877			x	18	5 North	1 East	Black Hills	Lawrence	South Dakota
Swansea No. 3&4	1877			x	18 19	5 North	1 East	Black Hills	Lawrence	South Dakota
Swan	1877			x	18	5 North	1 East	Black Hills	Lawrence	South Dakota
Fenn	1877			x	18 19	5 North	1 East	Black Hills	Lawrence	South Dakota
Fenn No. 1	1877			x	18 19	5 North	1 East	Black Hills	Lawrence	South Dakota
Pan	1877			x	18	5 North	1 East	Black Hills	Lawrence	South Dakota
Great Eastern	1877			x	18	5 North	1 East	Black Hills	Lawrence	South Dakota
Vale	1877			x	18	5 North	1 East	Black Hills	Lawrence	South Dakota
Tintic	1877			x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Tintic No. 1	1877			x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Republic	1877			x	19	5 North	1 East	Black Hills	Lawrence	South Dakota
Lansing	1877			x	18 19 (partiall	5 North	1 East	Black Hills	Lawrence	South Dakota

Name	US Mineral Survey Number	Area (Acre)	Surface Rights	Mineral Rights	Section	Township	Range	Meridian	County	State
					y in WY)					
Alto	1877			x	19 30	5 North	1 East	Black Hills	Lawrence	South Dakota
Amoy	1877			x	19 30	5 North	1 East	Black Hills	Lawrence	South Dakota
Will	1877			x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Lafayette No. 1	1877			x	30	5 North	1 East	Black Hills	Lawrence	South Dakota
Lafayette No. 2	1877			x	30 (partial y in WY)	5 North	1 East	Black Hills	Lawrence	South Dakota



**SCHEDULE “F”  
WORK PROGRAM**

*(See attached)*



	Q4 2024			Q1 2025			Q2 2025			Q3 2025			2026		
	October	November	December	January	February	March	April	May	June	July	August	September			
Days in month	31	30	31	30	28	31	30	31	30	31	31	30			

		Break Dec. 16 - Jan. 8					Spring Breakup														
Drilling Forecast (m)																					
Planned Drilling	Est. 30 m/shift	-	-	-	-	900	1,860	1,200	-	-	-	-	-	-	-	-	-	-	5,000		
Year-to-date		-	-	-	-	-	2,760	3,960	-	-	-	-	-	-	-	-	-	-	-		

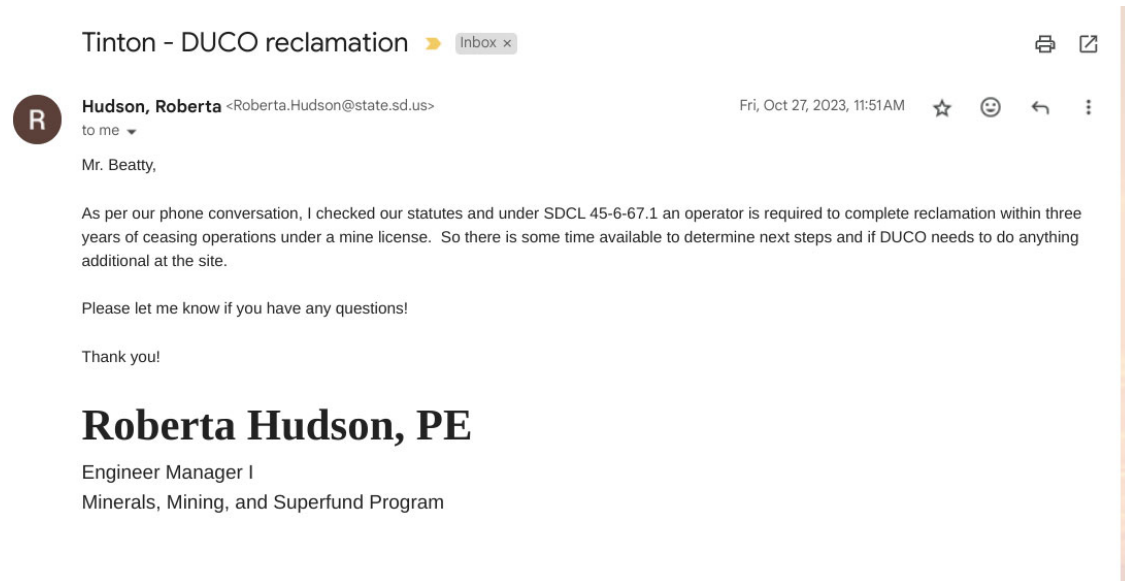
Budget Forecast															
COREXPLORE															
Drilling	Est. 200/m	\$ -	\$ -	\$ -	\$ -	\$ 180,000	\$ 372,000	\$ 240,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1,500,000
Mob-Demob (Driling)		\$ -	\$ -	\$ -	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	20,000
Dozer		\$ -	\$ -	\$ -	\$ -	\$ 9,500	\$ 9,500	\$ 9,500			\$ -	\$ -	\$ -	\$ -	9,500
Access and Trail Building	Included in drill cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
ANALYTICAL															
Drill Assay	Est. 80% sampling rate at \$75/sample	\$ -	\$ -	\$ -	\$ -	\$ 54,000	\$ 111,600	\$ 72,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	300,000
Re-sampling		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Storage		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
PERSONAL															
On-Site	geos+techs	\$ -	\$ -	\$ -	\$ -	\$ 25,000	\$ 25,000	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	25,000
Office		\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	5,000
Expenses		\$ -	\$ -	\$ -	\$ -	\$ 25,000	\$ 25,000	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	25,000
Equipment/Software		\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	5,000
EXPLORATION															
Geophysics	Drone Mag	\$ 80,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Sampling/ Mapping		\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -	100,000
Permit/ Bond		\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	100,000
MISC															
Core Boxes		\$ -	\$ -	\$ -	\$ -	\$ 2,200	\$ 4,547	\$ 2,933	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	12,222
Core Shack Rental		\$ -	\$ -	\$ -	\$ -	\$ 4,000	\$ 4,000	\$ 4,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	4,000
Reflex Instrument		\$ -	\$ -			\$ 15,000	\$ 15,000	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	15,000
Monthly Cost		\$ 280,000	\$ -	\$ -	\$ -	\$ 344,700	\$ 576,647	\$ 403,433	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -	2,120,722
Contingency (10%)		\$ 28,000	\$ -	\$ -	\$ -	\$ 34,470	\$ 57,665	\$ 40,343	\$ 5,000	\$ 5,000	\$ -	\$ -	\$ -	\$ -	212,072
Total Cost		\$ 308,000	\$ -	\$ -	\$ -	\$ 379,170	\$ 634,311	\$ 443,777	\$ 55,000	\$ 55,000	\$ -	\$ -	\$ -	\$ -	2,332,794
Year-To-Date (CAD)		\$ 308,000	\$ 308,000	\$ 308,000	\$ 308,000	\$ 687,170	\$ 1,321,481	\$ 1,765,258	\$ 1,820,258	\$ 1,875,258	\$ 1,875,258	\$ 1,875,258	\$ 1,875,258	\$ 1,875,258	2,332,794
Year-To-Date (USD)		\$ 228,148	\$ 228,148	\$ 228,148	\$ 228,148	\$ 509,015	\$ 978,875	\$ 1,307,599	\$ 1,348,339	\$ 1,389,080	\$ 1,389,080	\$ 1,389,080	\$ 1,389,080	\$ 1,389,080	1,727,996

2 Year Total \$ 3,117,076

## SCHEDULE 2.2(K)

### Reclamation Liability

Tinton Partners has not signed off on this with the SD Dept of Environment and Natural Resources (DENR) state and it is Tinton Partners' understanding that the liability remains with DUCO for a period up to three years from the date when DUCO ceases operations. The DUCO mining lease expired April 10th, 2023.



### Lease Termination Certificate

There is a Certificate of Termination of the DUCO mining lease which has not yet been filed. The plan is to file it shortly with Lawrence County and that the reclamation liability would remain with DUCO, until Tinton Partners / SD DENR signed off / released DUCO of their reclamation liability as noted above.

### Remaining Mined Ore Stockpile on Tinton Partners property

The remaining ore refers to that ore that was mined but not removed by DUCO prior to the termination of the mining lease on April 9, 2023 and the passing of the deadline for such removal by the October 9, 2023 deadline for doing so. Tinton Partners understands that the mined ore not removed by DUCO before the deadline may now be Tinton Partners' property and that DUCO may have no claim to it. There has been some discussion about the option to file a lien on this ore (and separate to this issue on the ore removed and now in Wyoming) to formalize Tinton Partners' ownership of the ore but this has not been pursued as of the date hereof.

### Grazing

Currently Tinton Partners has an oral lease agreement (which by statute automatically renews unless the lessor sends notice to the lessee by September 1st) for grazing on our surface ownership property for \$3000 per year that is a discount to market but which includes a fence maintenance and weed spraying by Sleep Ranches. [attached historical correspondence]

### Timber Rights

All timber rights are reserved to The Tinton Partners and The Tinton Land, LLC.